

U.S. Direct Investment Abroad in 1980

MAJOR developments related to U.S. direct investment abroad in 1980 were:

- The U.S. direct investment position abroad increased 14 percent, to \$213.5 billion, following a 15-percent increase in 1979. It increased 21 percent in petroleum, 18 percent in manufacturing, and 12 percent in "other" industries.

- The \$26.7 billion addition to the position consisted of capital outflows of \$18.5 billion and unusually large valuation adjustments of \$8.2 billion. Capital outflows—the sum of equity and intercompany account outflows and reinvested earnings of incorporated affiliates—were concentrated in developed countries. Valuation adjustments were concentrated in developing countries.

- Equity and intercompany account outflows declined \$3.4 billion, to \$1.5 billion—the second lowest level of outflows since 1959. Large inflows from the Middle East branch of a U.S.-incorporated petroleum company and from Netherlands Antillean finance affiliates substantially offset outflows to other affiliates.

- Reinvested earnings of incorporated foreign affiliates declined 10 percent, to \$17.0 billion. Much of the decline was in the United Kingdom, where reinvested earnings had been boosted in 1979 by a tax change.

- Direct investment income declined 4 percent, to \$26.8 billion. Shifts to negative income from automobile man-

ufacturing affiliates in developed areas, and from the previously mentioned Middle East branch of a U.S. petroleum company, more than offset increases in income from all other affiliates combined.

- Fees and royalties increased 14 percent, to \$5.7 billion. The increase was primarily in royalties, license fees, and other fees for the sale or use of intangible property.

The preliminary estimates for 1980 and revised estimates for 1977-79 published in the accompanying tables incorporate the results of BEA's 1977 benchmark survey of U.S. direct investment abroad.¹ Previously published estimates were linked to the preceding benchmark survey, which covered 1966. A technical note at the end of the article explains the procedure used to expand sample data collected in nonbenchmark years to universe estimates and summarizes the major differences in concepts, definitions, and presentation between the previous and revised series.

U.S. Direct Investment Position

At yearend 1980, the U.S. direct investment position abroad was \$213.5 billion (table 1). The position is the

book value of U.S. direct investors' equity in, and net outstanding loans to, their foreign affiliates.²

By industry, 22 percent of the position was in petroleum, 42 percent in manufacturing, and 36 percent in "other" industries (table 2). Within manufacturing, the position was largest in "other manufacturing" (mainly paper, instruments, rubber, and textiles), chemicals, and nonelectrical machinery. Within "other" industries, the position was largest in finance (except banking), insurance, and real estate, and in trade.

By area, 74 percent of the position was in developed countries, 25 percent in developing countries, and 2 percent in "international" (for definition of the latter area, see technical note). Within the developed countries, over 60 percent of the position was in Europe, where the United Kingdom and Germany had the largest shares. Within the developing countries, almost three-fourths of the position was in Latin America; the largest shares were in Bermuda—mainly in finance affiliates—and Brazil.

Incorporated affiliates accounted for 84 percent of the position, and unincorporated affiliates for 16 percent. Most of the investment in incorporated affiliates was equity (capital stock and retained earnings) rather than debt (intercompany accounts) (table 3).

1. Detailed findings and a methodology of the 1977 benchmark survey were published in *U.S. Direct Investment Abroad, 1977*, U.S. Department of Commerce, Bureau of Economic Analysis. Copies may be obtained from the Superintendent of Documents, U.S. GPO, Washington, D.C. 20402, price \$10.00, stock number 008-010-00079-1. Two types of data were collected in the 1977 survey: first, direct investment position and balance of payments data, which are the subject of this article, and second, U.S. parent and foreign affiliate financial and operating data, which were summarized in International Investment Division, "1977 Benchmark Survey of U.S. Direct Investment Abroad," *SURVEY OF CURRENT BUSINESS* 61 (April 1981): 29-37.

2. The position is sometimes confused with, and should be distinguished from, total assets of the affiliates themselves, which are the sum of total owners' equity held by, and total liabilities owed to, both U.S. direct investors and all other persons. According to the 1977 benchmark survey, foreign affiliates had total assets of \$229.6 billion, compared with a U.S. direct investment position abroad of \$140.0 billion, at yearend 1977. Banking affiliates accounted for just over one-half of the difference between the two figures. For nonbank affiliates, the comparable figures were \$404.6 billion and \$141.6 billion, respectively.

NOTE—Patricia C. Walker supervised the preparation of the revised estimates published in this article and wrote part of the technical note. Patricia E. DiVenuti and Ralph Kozlow prepared the estimates. Saletha D. Corbin, Edward L. Simons, and Russell O. Teit assisted in tabulating the data. Smith W. Allnut III designed the necessary computer programs.

1980 Addition

The intercompany account component of the position in incorporated affiliates is the net of U.S. parents' accounts receivable from affiliates and accounts payable to affiliates. At year-end 1980, receivables were about twice as large as payables. The largest receivables were those due from European manufacturing affiliates, while the largest payables were those owed to Latin American affiliates in "other" industries. Most of these payables were owed to Netherlands Antillean finance affiliates, which were established to borrow funds abroad and relend them to their U.S. parents. The payables more than offset the other, positive, components of the position, and, consequently, U.S. parents had a large negative direct investment position in the Netherlands Antilles. (For discussion of the previous and present treatment of Netherlands Antillean finance affiliates, see technical note.)

The addition to the position was \$26.7 billion, or 14 percent, in 1980, compared with \$24.0 billion, or 15 percent, in 1979. The 1980 addition consisted of capital outflows of \$18.5 billion and valuation adjustments of \$8.2 billion. In the absence of the unusually large valuation adjustments, the position would have increased about 10 percent in 1980.

Capital outflows consisted of equity and intercompany account outflows of \$1.5 billion and reinvested earnings of incorporated affiliates of \$17.0 billion. About 95 percent of capital outflows were to developed countries, primarily in Europe. Within Europe, outflows to the United Kingdom, Germany, Switzerland, and France were largest. The much smaller capital outflows to developing countries reflected large equity and intercompany account inflows from both Netherlands Antillean finance affil-

iates and the Middle East branch of a U.S.-incorporated petroleum company.

Valuation adjustments were concentrated in developing countries, where a large adjustment was made to reflect a change in the nature and status of the operations of the above-mentioned Middle East branch of a U.S. petroleum company, and to conform to a change in accounting for the branch as reported to BEA by the U.S. company. During 1980, the U.S. parent transferred the branch's oil production facilities and most of its refinery facilities to the host government, which paid the balance of the consideration for such assets. However, the branch continued to exist, principally as a trade and service company.

Before the facilities were transferred, the branch was primarily engaged in crude oil production. In producing the oil, it incurred tax and royalty liabilities to the host government and, subse-

Table I.—U.S. Direct Investment Position Abroad, 1978-80

(Millions of dollars)

	Position, year-end 1978	Addition in 1979					Position, year-end 1979	Addition in 1980					Position, year-end 1980
		Total	Capital outflows (inflows (-))			Valuation adjust- ments		Total	Capital outflows (inflows (-))			Valuation adjust- ments	
			Total	Equity and inter- company account outflows (inflows (-))	Reinvested earnings of incorpo- rated affi- liates				Total	Equity and inter- company account outflows (inflows (-))	Reinvested earnings of incorpo- rated affi- liates		
All areas.....	162,727	23,833	39,348	4,384	18,861	84	186,769	26,799	18,518	1,548	16,733	212,488	
Petroleum.....	30,582	5,218	8,536	8,120	6,414	-222	30,744	8,176	1,700	-2,787	4,533	40,820	
Manufacturing.....	80,040	8,970	8,701	1,176	7,525	179	78,540	10,422	0,007	3,513	6,902	89,063	
Other.....	62,620	8,860	0,428	0	5,024	227	60,376	8,110	6,843	703	0,080	77,495	
Developed countries.....	121,230	17,438	37,402	2,723	14,679	37	136,688	18,416	17,626	5,086	12,483	187,061	
Petroleum.....	25,841	4,870	4,122	4,018	4,204	-244	26,329	3,933	3,015	(*)	3,917	34,178	
Manufacturing.....	50,292	7,226	7,165	587	6,588	121	48,518	7,881	7,885	3,145	4,491	71,899	
Other.....	29,598	5,384	4,176	1,208	8,006	100	44,931	6,662	5,085	1,911	4,074	51,512	
Canada.....	26,800	3,848	4,088	1,085	3,003	-101	40,913	4,397	3,800	370	3,490	44,810	
Petroleum.....	7,686	962	1,206	1,160	1,052	-240	8,516	1,024	1,007	518	1,880	10,379	
Manufacturing.....	15,730	1,657	1,011	456	1,150	45	17,382	1,410	1,406	385	1,040	18,502	
Other.....	12,074	1,229	1,219	424	783	10	14,203	1,068	646	-513	1,063	15,246	
Europe.....	70,647	11,974	11,862	1,226	10,627	122	87,022	13,061	12,783	4,002	7,831	95,086	
Petroleum.....	14,326	3,430	3,407	523	2,864	22	17,783	2,168	2,150	-101	2,253	19,924	
Manufacturing.....	34,556	4,743	4,000	-183	4,873	58	30,408	6,083	5,911	2,754	3,057	43,435	
Other.....	21,865	3,797	3,755	885	2,870	42	24,406	4,873	4,622	2,300	3,513	30,257	
Other.....	14,187	1,644	1,611	402	1,010	105	15,903	954	893	-277	1,170	18,768	
Petroleum.....	3,239	687	507	230	230	-20	3,618	-140	-140	-417	(*)	3,476	
Manufacturing.....	5,945	821	808	284	330	16	6,728	440	419	35	384	7,172	
Other.....	4,999	300	201	-41	242	108	5,205	515	014	114	400	5,010	
Developing countries.....	37,497	6,441	6,946	2,746	4,199	46	44,253	8,183	622	-3,451	4,387	52,684	
Petroleum.....	2,448	3,453	3,324	3,325	1,189	-79	5,006	4,178	(*)	-2,812	(*)	10,371	
Manufacturing.....	15,377	1,718	1,686	438	1,048	69	16,122	2,512	2,273	508	1,374	17,064	
Other.....	21,660	1,751	1,685	-228	1,918	00	23,800	1,488	(*)	-1,041	(*)	24,748	
Latin America.....	31,770	3,286	3,104	270	2,824	01	35,038	3,218	2,855	-491	3,217	38,278	
Petroleum.....	3,058	580	580	58	788	14	3,918	388	384	80	288	4,338	
Manufacturing.....	11,183	1,257	1,241	853	887	16	12,410	2,070	1,071	463	1,500	14,489	
Other.....	17,530	1,107	1,107	-812	1,440	51	18,697	763	300	-1,230	1,530	19,450	
Other.....	5,814	3,655	3,703	2,473	1,229	-45	8,409	4,040	-1,723	-2,703	1,010	14,400	
Petroleum.....	-410	2,584	2,077	2,277	400	-08	2,145	3,790	(*)	-2,808	(*)	6,685	
Manufacturing.....	2,224	486	416	64	381	32	2,712	453	301	-04	365	3,176	
Other.....	4,028	583	578	114	441	5	4,012	688	(*)	200	(*)	5,299	
International.....	3,333	-248	-238	-494	127	1	3,547	134	77	-62	130	3,709	

*Less than \$500,000 (ab).

†Suppressed to avoid disclosure of data of individual companies.

quently, in selling the oil, acquired accounts receivable due from the U.S. purchasers. Because the receivables were transferred to the U.S. parent for settlement, while the tax and royalty liabilities remained with the foreign branch, a negative U.S. direct investment position in the branch resulted.

Since the facilities were transferred, the foreign branch, as part of its trading operations, purchases oil from the host government and incurs accounts payable to the government; when the oil is resold, the branch acquires accounts receivable due from the purchasers. The accounts payable as well as the accounts receivable are transferred to the U.S. parent for settlement. Thus, no significant direct investment position, either positive or negative, arises from the branch's trading operations. The above-mentioned valuation adjustment reflected the removal of the accounts payable from the direct investment account and their transfer to the account of U.S. nonbanking concerns as commercial liabilities to unaffiliated foreigners.

Table 2.—Composition of U.S. Direct Investment Abroad, 1979-80

	(Percent)			
	1979		1980	
	Position, year-end	Addition to position	Position, year-end	Addition to position
Total.....	100	100	100	100
By component:				
Capital outflows.....	n.a.	100	n.a.	80
Equity and intercompany account outflows.....	n.a.	21	n.a.	6
Reinvested earnings of incorporated affiliates.....	n.a.	79	n.a.	64
Valuation adjustments.....	n.a.	(*)	n.a.	31
By type of affiliate and account:				
Incorporated.....	36	84	84	77
Capital stock and retained earnings.....	75	84	76	81
Intercompany accounts.....	10	(*)	0	-4
U.S. parents' receivables.....	19	18	18	8
U.S. parents' payables.....	-8	-17	-0	-12
Unincorporated.....	14	16	16	23
By area:				
Developed countries.....	74	73	74	80
Canada.....	22	18	21	15
Europe.....	44	50	43	40
Other.....	8	7	8	4
Developing countries.....	24	26	25	31
Latin America.....	19	14	18	12
Other.....	5	15	7	18
International.....	2	-1	3	1
By industry:				
Petroleum.....	21	34	23	31
Manufacturing.....	42	37	43	30
Other.....	37	29	36	39

n.a. Not applicable.

(*) Less than 0.5 percent.

1. Includes valuation adjustments to the position in incorporated affiliates.

Equity and intercompany account outflows

Equity and intercompany account outflows declined \$3.4 billion, to \$1.5 billion (table 4). They were at the second lowest level since 1959. (Outflows were smaller in 1974, when sharp increases in crude oil prices resulted in large inflows from affiliates in petroleum producing areas.)

By type of affiliate and account.—The \$3.4 billion decline in outflows was more than accounted for by a \$3.8 billion shift from outflows to, to small inflows from, unincorporated affiliates. Flows to or from these affiliates are shown as a single summary account consisting of the parents' total claims, both equity and debt, on the affiliates' net assets.

Partly offsetting was a \$0.4 billion increase in outflows to incorporated affiliates. The increase reflected a \$1.5 billion increase in outflows for capital stock, partly offset by a \$1.1 billion shift to inflows on intercompany accounts. The increase in outflows for capital stock—

Table 3.—U.S. Direct Investment Position Abroad, by Type of Affiliate and Account, 1979-80

(Millions of dollars)

	Year-end 1979						Year-end 1980						
	Total	Incorporated affiliates				Unincorporated affiliates	Total	Incorporated affiliates				Unincorporated affiliates	
		Total	Capital stock and retained earnings ¹	Intercompany accounts				Total	Capital stock and retained earnings ¹	Intercompany accounts			
				Total	U.S. parents' receivables	U.S. parents' payables				Total	U.S. parents' receivables	U.S. parents' payables	
All areas.....	158,768	158,694	146,124	13,571	26,007	-16,437	27,985	181,177	181,628	16,549	38,238	-19,690	33,291
Petroleum.....	38,744	38,400	32,478	7,023	11,240	-4,217	8,024	34,385	32,901	8,304	10,677	-4,273	12,828
Manufacturing.....	78,640	78,852	67,803	10,288	12,046	-1,758	1,788	89,063	86,064	75,456	11,538	15,689	2,000
Other.....	68,278	62,443	50,684	2,358	10,812	-8,454	16,832	77,485	68,888	28,101	11,981	-11,254	18,506
Developed countries.....	138,666	124,784	105,437	13,147	26,416	-7,262	15,304	147,081	148,393	21,029	28,182	-7,134	18,058
Petroleum.....	30,220	24,231	17,116	7,115	7,063	-530	5,988	34,173	27,029	31,948	5,113	7,030	6,214
Manufacturing.....	68,518	62,401	55,383	7,000	11,038	-3,830	1,056	71,269	70,177	60,324	8,363	12,513	1,222
Other.....	40,941	38,071	33,136	4,034	7,718	-2,784	8,859	51,512	43,890	38,207	5,583	8,030	7,653
Canada.....	40,343	35,000	31,482	4,478	5,060	-2,482	4,283	44,840	39,806	35,161	4,735	7,482	4,744
Petroleum.....	8,648	7,733	7,030	803	808	-245	918	10,573	9,490	8,906	584	880	1,303
Manufacturing.....	17,372	17,106	14,126	2,987	3,973	-1,005	107	28,605	18,606	10,234	4,367	-1,785	104
Other.....	14,303	11,062	9,516	1,717	2,349	-831	3,171	11,590	10,020	1,801	2,435	-635	8,445
Europe.....	82,632	74,710	63,084	11,665	18,180	-4,503	7,902	87,086	87,180	13,535	17,635	-4,100	8,608
Petroleum.....	17,725	12,068	7,789	5,149	5,497	-258	4,518	19,024	15,090	4,821	5,178	-554	4,375
Manufacturing.....	39,473	38,740	34,601	4,130	8,340	-2,201	682	43,425	46,815	5,069	7,296	-1,227	810
Other.....	25,433	24,041	20,674	2,367	4,341	-2,045	2,422	30,337	24,287	2,095	5,232	-2,307	2,815
Other.....	15,003	14,064	11,671	3,014	2,280	-277	1,719	16,788	14,014	12,185	2,788	1,048	1,844
Petroleum.....	3,810	3,581	2,289	1,272	1,300	-35	285	3,678	3,440	2,512	928	963	228
Manufacturing.....	6,723	6,526	5,834	803	1,025	-132	197	7,172	6,498	8,064	902	1,180	326
Other.....	3,205	3,008	3,140	840	857	-108	1,287	6,010	4,518	3,678	858	853	1,392
Developing countries.....	44,626	51,892	31,837	-248	7,579	-8,124	12,633	62,684	31,825	37,338	-1,015	8,624	17,845
Petroleum.....	8,982	3,080	3,733	285	2,157	-1,903	2,307	10,273	4,122	4,488	-257	2,716	6,130
Manufacturing.....	15,122	14,390	12,201	2,189	2,900	-710	732	17,684	16,817	14,632	3,185	-1,004	8,597
Other.....	23,308	13,315	16,004	-2,660	2,513	-3,602	9,604	24,749	13,686	18,510	-4,924	3,078	10,863
Latin America.....	36,052	22,740	24,841	-1,002	5,028	-6,118	11,306	30,275	25,798	29,300	-3,009	5,420	12,470
Petroleum.....	3,048	1,010	1,700	-174	827	-1,000	2,322	4,336	1,814	2,173	-309	812	3,592
Manufacturing.....	12,410	11,786	10,806	1,001	3,230	-248	814	14,480	12,740	11,756	2,442	-426	720
Other.....	18,897	10,327	13,245	-2,000	1,961	-4,880	3,281	19,450	16,213	16,471	3,044	2,187	9,237
Other.....	8,469	7,042	7,065	847	2,852	-3,008	1,327	14,483	8,531	507	3,203	-2,090	5,370
Petroleum.....	2,145	2,370	1,042	428	1,331	-902	-224	5,335	2,318	2,318	3	1,647	3,617
Manufacturing.....	2,713	2,594	2,306	190	669	-479	110	3,175	2,048	2,877	173	-745	137
Other.....	4,812	2,078	2,760	220	853	-833	1,834	5,290	3,672	3,350	334	911	1,636
International.....	3,567	3,229	2,870	688	1,719	-1,051	326	3,781	3,347	2,731	616	-836	3,310

1. Includes valuation adjustments to the position in incorporated affiliates.

the net of increases and decreases in U.S. parents' holdings of stock in affiliates—occurred because increases in stock were larger, and decreases smaller, than in 1979. The shift to inflows on intercompany accounts stemmed from smaller increases in U.S. parents' receivables from, partly offset by smaller increases in their payables to, affiliates.*

By industry and area.—By industry, a large shift from equity and intercompany account outflows to inflows occurred in petroleum, while outflows tripled in manufacturing and increased slightly in "other" industries. By area, outflows to developed countries increased \$2.3 billion, to \$5.1 billion;

* Increases (decreases) in receivables are intercompany account outflows (inflows), while increases (decreases) in payables are inflows (outflows). The change in intercompany account outflows is thus the second-order change (i.e., the change in the change) in receivables minus the second-order change in payables.

there was a \$6.2 billion shift to inflows from developing countries, and a \$0.4 billion decline in inflows from "international."

In petroleum, there was a \$5.9 billion shift from a \$3.1 billion outflow in 1979 to a \$2.8 billion inflow in 1980. Most of the shift was accounted for by a \$5.1 billion shift to inflows from developing countries. The latter was almost entirely in "other" developing countries, primarily in the Middle East. In 1979, large outflows to this area were associated with a shortening—in compliance with host government requests—of the credit terms that affiliates extended to purchasers of crude oil. In 1980, large inflows were associated with the previously mentioned final payment by a Middle East government for the facilities of the branch of a U.S. petroleum company.

For developed countries, there was a \$0.9 billion shift to small inflows. The shift was in Europe and "other" developed countries. In Europe, it was entirely in transactions with unincorporated British affiliates operating in the North Sea area and in intercompany account transactions with incorporated affiliates. In "other" developed countries, it was largely in intercompany account transactions with incorporated affiliates, mainly in Japan. In both Europe and "other" developed countries, particularly the latter, the shifts to inflows were primarily in U.S. parents' receivables; they probably reflected changes in such factors as the prices and volume of oil sold by the parents to affiliates in these areas, and the timing of both the sales and the affiliates' payments for the oil.

Table 4.—Equity and Intercompany Account Outflows, by Type of Affiliate, 1979-80

(Millions of dollars; inflows (-))

	1979								1980								
	Total	To incorporated affiliates ¹						To unincorporated affiliates	Total	To incorporated affiliates ¹						To unincorporated affiliates	
		Total	Capital stock ²		Intercompany accounts					Total	Total	Capital stock ²		Intercompany accounts			
			Total	In-creases	De-creases	Total	U.S. parents' receivables					U.S. parents' payables	Total	In-creases	De-creases		Total
All areas	4,984	1,724	1,123	4,448	-2,317	95	4,262	-4,107	3,768	1,548	1,064	2,607	5,531	-2,835	-1,421	2,231	-3,252
Petroleum	3,150	269	145	3,227	-1,081	124	3,103	-2,979	2,853	2,767	749	1,204	3,550	-2,772	-848	-2,608	
Manufacturing	1,175	1,361	325	1,564	-1,038	535	1,100	-1,204	1,395	3,256	1,010	1,705	1,745	2,290	1,763	497	
Other	658	-498	458	1,055	-1,157	-504	1,044	-1,010	1,080	763	-925	720	2,507	-1,641	-1,651	1,349	
Developed countries	2,732	1,844	419	2,655	-2,158	1,547	2,349	-1,381	267	5,065	3,884	2,983	4,147	-3,145	-1,382	1,763	
Petroleum	818	550	282	850	-669	288	562	-34	305	2,168	1,042	1,042	2,555	-1,005	-824	-378	
Manufacturing	857	879	135	1,025	-850	543	1,737	-1,189	142	3,145	2,078	721	1,367	2,545	1,475	778	
Other	1,208	797	2	730	-728	730	804	-74	531	1,911	1,124	494	1,359	-1,345	629	273	
Canada	1,035	776	-28	745	-729	313	691	-66	390	378	-303	-280	801	-1,161	357	522	
Petroleum	184	160	180	584	-648	14	26	-23	6	615	333	482	670	-148	-49	-81	
Manufacturing	454	454	-17	12	-164	406	384	21	91	346	300	64	182	-96	384	484	
Other	424	191	-2	149	-150	103	239	-66	233	-613	-704	-677	70	-568	67	-4	
Europe	1,223	783	388	1,564	-996	305	1,601	-1,206	442	4,082	4,304	3,224	-710	1,889	1,478	483	
Petroleum	623	166	31	121	-59	123	139	-6	300	-181	-151	375	470	-82	-230	-298	
Manufacturing	-183	-13	184	802	-618	-657	1,053	-1,219	-170	2,394	2,610	1,081	-921	1,850	883	964	
Other	683	604	203	452	-249	439	450	19	243	2,307	1,056	1,577	-297	566	820	-265	
Other	462	407	08	475	-408	330	398	-27	55	-277	-407	-182	122	-274	-245	-10	
Petroleum	220	215	114	135	-20	131	134	-5	-7	-417	-306	-84	2	-66	-344	-245	
Manufacturing	204	258	153	211	-48	105	89	5	6	25	7	-03	34	-126	100	105	
Other	-41	-36	-200	130	-359	103	131	-28	35	134	-17	-6	87	-11	-5	-6	
Developing countries	2,705	-284	1,838	1,475	-445	-1,284	1,214	-2,546	3,989	-3,454	-2,226	631	1,331	-790	-2,361	746	
Petroleum	2,323	-105	-90	18	-186	-75	575	-2,560	2,500	-2,312	-505	46	408	-40	-611	-202	
Manufacturing	530	682	390	630	-243	283	383	-71	44	306	284	288	438	-209	-4	278	
Other	-228	-781	729	918	-189	-1,511	275	-1,787	543	-1,041	-1,079	266	728	-430	-2,235	295	
Latin America	276	-280	572	1,330	-357	-1,253	780	-2,063	630	-601	-1,069	642	1,124	-641	-2,611	304	
Petroleum	66	-222	-59	-1	80	-333	250	-182	280	96	-99	80	65	-8	-183	-15	
Manufacturing	566	606	639	478	-128	283	204	26	-56	408	337	334	422	-68	23	203	
Other	-242	-633	789	882	-143	-1,272	304	-1,676	321	-1,250	-2,126	223	617	-394	-2,349	208	
Other	2,475	16	58	145	-28	-41	434	-478	2,446	-2,783	-351	-11	187	-209	-339	351	
Petroleum	2,277	57	(*)	19	-18	58	325	-287	2,230	-2,906	-468	-26	12	-61	-426	217	
Manufacturing	94	77	39	60	-23	40	137	-97	7	-64	-73	-45	78	-121	-27	78	
Other	114	-118	20	66	-48	-338	-27	-131	232	300	137	73	109	-38	114	65	
International	-484	-474	-321	366	-686	-158	304	-358	-5	-53	-79	-26	54	-59	-52	-267	216

* Less than \$500,000 (±).

1. Includes outflows to purchase capital stock in affiliates from unaffiliated foreigners and inflows from the sale of such stock to unaffiliated foreigners. Although such flows are not actually "to" foreign affiliates, they are so classified because they change the U.S. direct investment position in these affiliates. When the country of the affiliate differs from that of the buyer or seller of its capital stock, the flows are classified according to the country of the affiliate.

2. Includes additional paid-in capital.

Outflows to Canada increased, primarily because decreases in U.S. parents' holdings of capital stock in affiliates were larger in 1979 than in 1980. Canada's National Energy Program, which was proposed in October 1980 and was designed to encourage increased domestic ownership of the Canadian petroleum industry, did not result in significant U.S. disinvestments until 1981. (However, partly in response to other Canadian policies, several disinvestments did occur in the few years before the program's announcement, and, as mentioned below in the section on outflows by status of affiliate, a disinvestment in an indirectly owned petroleum affiliate earlier in 1980 resulted in inflows in "other" industries.)

Outflows to manufacturing affiliates increased \$2.4 billion, to \$3.5 billion. Affiliates in developed countries, particularly Europe, more than accounted for the increase; outflows to affiliates in developing countries declined slightly.

For Europe, a shift from small in-

flows to sizable outflows occurred, mainly because of changes in flows to and from British and German automotive affiliates. These affiliates had made large loans to their U.S. parents in the second half of 1979 and, on a slightly reduced scale, in the first three quarters of 1980. The loans were repaid in the fourth quarter, causing the large year-to-year shift, and then new loans were extended in the first quarter of 1981.

Outflows to affiliates in "other" industries increased \$0.1 billion, to \$0.8 billion. The increase reflected several much larger, but offsetting, changes. Outflows to developed countries increased \$0.6 billion, to \$1.9 billion; inflows from developing countries increased \$0.8 billion, to \$1.0 billion; and inflows from "international" declined \$0.2 billion, to \$0.1 billion.

Within developed countries, outflows to Europe increased \$1.4 billion, mainly reflecting the acquisition of an affiliate. In contrast, there was a \$0.9 billion shift to inflows from Canada, largely

as a result of the sale of several affiliates by U.S. direct investors.

Almost all of the increase in inflows from developing countries was in Latin America. Netherlands Antillean finance affiliates more than accounted for the increase. Inflows from these affiliates largely represented relending to U.S. parents of funds borrowed abroad by the affiliates. The inflows were large in both 1979 and 1980—\$1.2 billion and \$2.4 billion, respectively. Acceleration of the inflows reflected generally more favorable conditions in Eurobond markets, where much of the borrowing originated.

By status of affiliate.—Table 5 shows equity and intercompany account outflows to new affiliates, to affiliates liquidated or sold, and to all other affiliates. The table shows, for affiliates whose status changed, both the flows associated with the change in status—such as outflows that financed an acquisition or inflows that reflected the proceeds of a liquidation or sale—and all other flows.

Table 5.—Equity and Intercompany Account Outflows, by Status of Affiliate, 1979-80

(Millions of dollars; inflows (-))

	1979								1980							
	Total	New affiliates ¹			Affiliates liquidated or sold ²			Other affiliates	Total	New affiliates ¹			Affiliates liquidated or sold ²			Other affiliates
		Total	Established	Acquired	Total	Liquidated	Sold			Total	Established	Acquired	Total	Liquidated	Sold	
All areas.....	4,984	834	228	554	-1,831	-284	-1,327	4,483	1,848	176	-829	1,815	-1,987	-239	-1,446	3,279
Petroleum.....	3,120	467	17	370	-326	-100	-226	2,976	-2,757	356	354	2	-306	-45	-351	-2,807
Manufacturing.....	1,175	490	180	280	-435	-85	-350	1,171	3,443	327	111	216	-287	-11	-246	3,472
Other.....	688	-74	21	-95	-760	-40	-720	1,381	703	-807	-1,204	706	-1,314	-174	-1,171	2,914
Developed countries.....	2,723	549	147	462	-1,235	-118	-1,141	3,387	5,455	1,843	228	915	-1,423	-315	-1,284	5,334
Petroleum.....	918	153	(D)	(D)	-277	(D)	(D)	1,012	(*)	8	5	2	-201	-8	-106	814
Manufacturing.....	587	297	46	248	-354	(D)	(D)	506	3,145	206	71	134	-105	-7	-85	3,034
Other.....	1,268	149	(D)	(D)	-625	-28	-607	1,745	1,911	928	140	779	-1,126	-106	-1,020	2,100
Canada.....	1,085	-57	(D)	(D)	-305	(D)	(D)	1,308	378	25	(D)	(D)	-108	-107	-291	1,343
Petroleum.....	136	(D)	(D)	0	(D)	(D)	(D)	306	518	0	0	0	(D)	(D)	(D)	528
Manufacturing.....	435	(D)	(D)	0	(D)	(D)	(D)	546	385	13	(D)	(D)	(D)	(D)	(D)	305
Other.....	424	2	-1	3	(D)	(D)	(D)	525	-513	7	(D)	(D)	-100	(D)	(D)	430
Europe.....	1,225	206	136	260	-549	-28	-521	1,378	4,962	1,101	206	883	-251	-3	-278	4,143
Petroleum.....	823	(D)	(D)	3	(D)	(D)	(D)	842	-101	8	3	2	-179	(D)	(D)	69
Manufacturing.....	-153	240	41	100	-340	-3	-235	-153	2,754	180	(D)	(D)	-14	(D)	(D)	2,581
Other.....	885	(D)	(D)	58	(D)	(D)	(D)	915	2,309	906	(D)	(D)	-28	(D)	(D)	1,492
Other.....	492	260	(D)	(D)	-404	(D)	(D)	607	-277	17	(D)	(D)	-144	(D)	-136	-151
Petroleum.....	230	146	(D)	(D)	0	(D)	0	33	-417	0	(D)	(D)	(D)	(D)	(D)	-416
Manufacturing.....	264	(D)	(D)	(D)	-51	(D)	(D)	212	25	1	(D)	(D)	(D)	(D)	(D)	56
Other.....	-41	(D)	(D)	(D)	-353	(D)	(D)	364	114	10	(D)	(D)	-100	(D)	(D)	208
Developing countries.....	2,745	218	115	102	-214	-45	-371	2,745	-2,484	-958	-1,984	100	(D)	-879	(D)	-2,473
Petroleum.....	2,845	300	(D)	(D)	(D)	(D)	(D)	2,620	-2,512	347	347	0	(D)	(D)	(D)	-2,088
Manufacturing.....	680	143	111	32	(D)	(D)	(D)	875	288	122	40	82	-104	-4	-157	438
Other.....	-228	-224	(D)	(D)	-144	-21	-123	140	-1,041	-1,435	-1,403	19	(D)	(D)	(D)	588
Latin America.....	220	134	37	97	-187	(D)	(D)	324	-691	-1,380	-1,472	92	(D)	-20	(D)	817
Petroleum.....	58	268	(D)	(D)	(D)	(D)	(D)	-194	94	44	44	0	(D)	(D)	(D)	50
Manufacturing.....	855	119	90	29	(D)	(D)	(D)	489	402	02	(D)	(D)	(D)	(D)	(D)	410
Other.....	-342	-348	(D)	(D)	-114	-30	-106	30	-1,250	-1,516	(D)	(D)	(D)	(D)	(D)	849
Other.....	2,475	84	79	5	-29	4	-33	2,421	-2,763	414	106	9	-267	-89	-178	-2,809
Petroleum.....	2,277	37	37	0	(D)	16	(D)	2,225	-2,908	303	303	0	(D)	(D)	(D)	-2,127
Manufacturing.....	84	23	20	3	(D)	0	(D)	74	-61	28	(D)	(D)	(D)	(D)	(D)	29
Other.....	114	24	21	2	-20	-11	-18	119	309	81	(D)	(D)	-54	(D)	-28	180
International.....	-854	(D)	(D)	2	(D)	(D)	(D)	-441	-82	(*)	(*)	0	(D)	-3	(D)	36

*Less than \$500,000 (-).

D Suppressed to avoid disclosure of data of individual companies.

1. Excludes affiliates created through reorganization or combination of existing affiliates.
2. Excludes affiliates that were reorganized or combined with other affiliates.

Inflows from affiliates that were liquidated or sold were \$1.9 billion, and outflows to new affiliates were \$0.2 billion. (The comparable figures for 1979 were \$1.5 billion and \$0.8 billion, respectively.)

Outflows to newly acquired affiliates were \$1.0 billion, and there were inflows of \$0.8 billion from newly established affiliates. Outflows to newly acquired affiliates were largest in "other" industries, and included outflows to finance the acquisition of a large British insurance company. Inflows from Latin American affiliates in "other" industries more than accounted for the inflows from newly established affiliates; they reflected the transfer to U.S. parents of the proceeds of foreign borrowing by new Netherlands Antillean finance affiliates. Outflows to newly established affiliates were largest in petroleum; in that industry, several affiliates engaged in oil and gas exploration and extraction in "other" developing countries largely accounted for the outflows.

Inflows from affiliates that were sold were \$1.7 billion, and inflows from affiliates that were liquidated were \$0.2 billion. Seventy percent of the inflows from affiliates that were sold were in "other" industries. Within "other" industries, the inflows were concentrated in Canada, where a coal mining affiliate, a holding company through which a U.S. parent owned a number of public utility affiliates, and several other affiliates were sold in 1980. Inflows from the coal mining affiliate reflected the proceeds of two transactions: first, the U.S. parent's sale, toward the end of the year, of its remaining minority interest in the affiliate, which it had once wholly owned, and second, the affiliate's sale earlier in the year of a petroleum affiliate that it owned.

Reinvested earnings

Reinvested earnings of incorporated affiliates declined 10 percent, to \$17.0 billion (table 6). Reinvested earnings consist of earnings (i.e., U.S. parents'

shares in the net income) of incorporated affiliates less gross dividends (i.e., dividends before deduction of foreign withholding taxes) on common and preferred stock held by U.S. parents. The decline in reinvested earnings primarily reflected a 15-percent increase in gross dividends. By area, reinvested earnings declined 15 percent in developed countries, increased 6 percent in developing countries, and declined 5 percent in "international." By industry, they declined in petroleum and manufacturing, and increased slightly in "other" industries. The reinvestment ratio—the fraction of earnings reinvested—declined from 0.65, which was a record high for the years 1950 forward, to 0.59.

British affiliates accounted for over 70 percent of the decline in reinvested earnings and for about one-half of the decline in the reinvestment ratio. These affiliates' reinvested earnings and reinvestment ratios were affected by changes in taxation in both 1979 and 1980. In 1979, their earnings were boost-

Table 6.—Reinvested Earnings and Reinvestment Ratios of Incorporated Affiliates, 1979–80

	1979				1980				Change: 1979–80		
	Earnings	Gross dividends	Reinvested earnings	Reinvestment ratio (reinvested earnings/earnings)	Earnings	Gross dividends	Reinvested earnings	Reinvestment ratio (reinvested earnings/earnings)	Earnings	Gross dividends	Reinvested earnings
All areas.....	39,201	18,237	18,964	.65	26,394	11,763	16,398	.62	-12,807	1,645	-2,967
Petroleum.....	7,412	1,908	5,414	.73	8,369	4,016	4,553	.53	1,154	2,018	-651
Manufacturing.....	13,242	5,825	7,016	.53	11,301	4,597	6,804	.60	-1,881	-620	-1,252
Other.....	8,547	2,613	5,494	.64	8,821	2,741	6,080	.68	274	123	140
Developed countries.....	23,334	7,645	14,679	.63	21,036	8,669	12,481	.59	-1,233	644	-2,197
Petroleum.....	5,312	1,108	4,204	.79	6,380	2,405	3,917	.61	1,068	1,353	-265
Manufacturing.....	11,190	4,631	6,568	.59	8,770	4,270	4,401	.51	-2,420	-352	-2,078
Other.....	5,813	1,007	3,500	.60	5,885	1,887	4,074	.68	122	-40	160
Canada.....	4,360	1,367	2,993	.69	4,778	1,280	3,498	.73	418	-66	487
Petroleum.....	1,390	278	1,052	.76	1,845	450	1,389	.75	513	178	337
Manufacturing.....	2,968	852	1,154	.39	1,705	605	1,010	.61	-303	-157	-110
Other.....	1,022	227	795	.78	1,230	100	1,061	.86	207	-58	268
Europe.....	18,013	5,386	10,627	.60	14,088	6,207	7,821	.56	-1,025	881	-2,806
Petroleum.....	3,541	677	2,864	.81	4,028	1,775	2,251	.56	486	1,068	-583
Manufacturing.....	8,164	3,281	4,873	.60	6,150	3,162	3,567	.58	-2,005	-180	-1,817
Other.....	4,227	1,417	2,870	.67	3,868	1,369	2,013	.51	-386	-27	-256
Other.....	1,061	902	1,010	.95	2,223	1,043	1,170	.53	323	151	122
Petroleum.....	321	132	200	.64	610	232	277	.45	88	80	8
Manufacturing.....	1,026	467	580	.57	906	512	394	.43	-121	25	-145
Other.....	504	262	242	.48	608	300	499	.82	306	47	259
Developing countries.....	5,813	2,558	4,149	.71	7,191	2,504	4,367	.61	512	274	238
Petroleum.....	2,040	251	1,180	.58	1,023	(D)	(D)	(D)	-117	(D)	(D)
Manufacturing.....	2,043	965	1,018	.50	2,501	717	1,574	.62	518	-228	820
Other.....	2,596	683	1,913	.74	2,578	(D)	(D)	(D)	82	(D)	(D)
Latin America.....	4,447	1,523	2,924	.66	4,585	1,218	3,317	.73	118	-305	423
Petroleum.....	922	181	738	.80	487	197	288	.59	-445	35	-501
Manufacturing.....	1,800	810	887	.49	2,085	630	1,500	.71	528	-293	822
Other.....	1,965	532	1,440	.73	2,013	498	1,560	.76	51	-46	162
Other.....	1,225	1,066	1,225	.66	2,020	1,588	1,010	.50	391	580	-186
Petroleum.....	1,088	988	300	.27	1,435	(D)	(D)	(D)	347	(D)	(D)
Manufacturing.....	537	176	301	.57	556	101	306	.55	10	15	4
Other.....	600	143	484	.81	635	(D)	(D)	(D)	38	(D)	(D)
International.....	899	62	137	.15	499	399	138	.28	300	147	-7

(D) Suppressed to avoid disclosure of data of individual companies.

ed as a result of new legislation that permitted them, along with other British companies, to eliminate certain deferred tax liabilities.⁴ The legislation had been widely anticipated, and the elimination of the liabilities generally did not give rise to increased dividend payments. Consequently, both reinvested earnings and the reinvestment ratio were raised above what they otherwise would have been. In 1980, U.S. parents received tax refunds, which were included in both the earnings and gross dividends of their incorporated affiliates. Since earnings and gross dividends were increased by equal amounts, reinvested earnings were not affected, and the reinvestment ratio was lowered. The refunds—of the Advance Corporation Tax—were made as a consequence of a new tax treaty between the United States and the United Kingdom. They permitted U.S. stockholders of British corporations to benefit retroactively from a tax credit that previously had been available only to British stockholders.

Reinvested earnings of *petroleum* affiliates declined 16 percent, to \$4.6 billion. They declined 7 percent in developed countries and 45 percent in developing countries. The decline in developed countries was centered in Europe, particularly in the United Kingdom and the Netherlands; in both countries, the declines were attributable to increases in dividends. The decline in developing countries was concentrated in the Bahamas and Bermuda, and was due to declines in earnings in both countries.

Reinvested earnings of *manufacturing* affiliates declined 16 percent, to \$6.4 billion. They declined 32 percent in developed countries and increased 79 percent, from a much smaller base, in developing countries.

Over 85 percent of the decline in developed countries was in Europe. Sharp declines, particularly in transportation equipment manufacturing, occurred in the United Kingdom and Germany as a result of declines in earnings.

The increase in developing countries was almost entirely in Latin America, where, in turn, nearly all of the increase was in Brazil, Mexico, and Argentina. In Brazil and Argentina, increases reflected both increases in earnings and declines in dividends, while in Mexico, almost all of the increase was attributable to an increase in earnings.

In "other" industries, reinvested earnings increased 2 percent, to \$6.1 billion. They increased 4 percent in developed countries and declined 3 percent in developing countries. In developed countries, increases in Canada and "other" developed countries more than offset a decline in Europe; all of these changes were primarily attributable to changes in earnings. In developing countries, a decline in "other" developing countries, where a Middle East affiliate paid an unusually large dividend, more than accounted for the decline in reinvested earnings.

Income

Income, the return on the U.S. direct investment position abroad, declined 4 percent, to \$36.8 billion (table 7). Income consists of earnings—i.e., U.S. parents' equity in the net income (after foreign income taxes) of their foreign affiliates—plus net interest received on intercompany accounts, less withholding taxes on dividends and interest (table 8). Alternatively, it is the sum of (1) interest, dividends, and earnings of unincorporated affiliates and (2) reinvested earnings of incorporated affiliates.

Income declined 1 percent in developed countries and 11 percent in developing countries; it more than doubled, from a relatively small base, in "international." The decline in developed countries was in Europe, and that in developing countries was in "other" developing countries.

Income from *petroleum* affiliates declined 3 percent, to \$13.0 billion. It increased 23 percent in developed countries and declined 35 percent in developing countries. It nearly tripled, from a relatively small 1979 base, in "international."

Within developed countries, European affiliates had the largest increase—more than 30 percent. The increase was accounted for by British, Norwegian, and Netherlands affiliates engaged primarily in oil and gas extraction and, in several countries, by refining and marketing affiliates having access to relatively low-priced Saudi Arabian crude oil. Income also increased in both Canada and "other" developed countries. The increase in Canada would have been significantly larger had 1979 income not been inflated by capital gains on oil- and gas-producing properties sold by two unincorporated affiliates in that year.

Within developing countries, the decline was centered in "other" developing countries. In that area, income declined 36 percent. The decline was more than accounted for by the previously mentioned change in the nature and status of the operations of the Middle East branch of a U.S. petroleum company. As a result of this change, the branch experienced a loss, caused by a reduction in operating income and a nonrecurring capital loss. Income from other affiliates in this area, particularly those operating in Indonesia, increased. In Indonesia, the increase apparently reflected higher crude oil prices.

Income from affiliates in Latin America declined more than 30 percent. Offshore trading affiliates largely accounted for the decline. These affiliates' earnings had increased sharply in 1979, when the prices at which they could resell oil increased faster than the prices specified in their contracts with the oil producing countries from which they purchased it. In 1980, in contrast, increases in contract prices generally could not be fully passed on, and affiliates' profit margins narrowed.

Income from *manufacturing* affiliates declined 14 percent, to \$11.3 billion. It declined 22 percent in developed countries and increased 33 percent in developing countries. The decline in developed countries was concentrated in Europe, where income declined 27 percent. There were smaller declines in Canada and "other" developed countries.

4. The legislation and its accounting treatment are summarized in Oble G. Whitchard, "U.S. Direct Investment Abroad in 1979," *SURVEY* 60 (August 1980): 20-21.

Table 7.—Income and Rate of Return, 1979-80

(Millions of dollars, or percent)

	1979						1980						Rate of return ¹	
	Income					Rate of return ¹	Income							
	Total	Interest, dividends, and earnings of unincorporated affiliates					Reinvested earnings of unincorporated affiliates	Total	Interest, dividends, and earnings of unincorporated affiliates					Reinvested earnings of unincorporated affiliates
		Total	Interest	Dividends	Earnings of unincorporated affiliates				Total	Interest	Dividends	Earnings of unincorporated affiliates		
All areas.....	38,398	15,565	753	5,126	9,457	10,964	31.9	35,642	15,345	482	10,708	8,456	16,598	28.4
Petroleum.....	12,418	7,009	210	1,847	5,042	5,414	38.7	13,022	8,469	380	3,816	4,383	4,563	20.4
Manufacturing.....	13,064	5,438	300	4,004	144	7,810	17.0	11,263	6,809	264	4,352	262	6,854	13.4
Other.....	11,803	5,920	183	2,376	3,371	5,635	18.0	12,858	5,478	-42	2,500	4,010	6,060	17.1
Developed countries.....	24,942	10,283	654	6,839	2,779	14,479	19.2	24,863	12,101	335	7,738	3,737	12,481	28.4
Petroleum.....	6,182	2,751	147	1,900	1,011	4,204	25.1	8,646	3,049	182	2,200	2,200	3,917	23.8
Manufacturing.....	11,018	4,490	334	4,124	11	6,588	18.4	9,557	4,867	177	3,703	97	4,481	12.7
Other.....	6,002	3,056	103	1,710	1,347	3,908	16.6	7,450	3,893	226	1,686	1,474	4,074	15.5
Canada.....	5,517	2,514	233	1,106	1,005	3,003	14.4	5,733	2,343	302	1,140	601	3,493	13.5
Petroleum.....	1,890	836	54	282	500	1,052	23.1	2,003	615	10	418	101	1,380	20.8
Manufacturing.....	3,081	874	183	743	26	1,156	13.3	1,838	708	107	578	23	1,040	10.2
Other.....	1,556	802	95	200	507	705	11.7	1,892	834	95	140	586	1,001	12.9
Europe.....	17,116	6,499	375	4,852	1,263	10,627	22.2	18,078	8,767	228	5,678	2,352	7,821	18.0
Petroleum.....	4,483	1,329	110	612	571	2,884	27.4	5,854	2,003	161	1,643	1,801	2,251	21.1
Manufacturing.....	7,068	3,081	190	2,054	-58	4,873	21.5	8,804	2,747	-30	2,787	10	3,067	13.7
Other.....	4,005	1,700	69	1,260	444	2,870	10.8	4,410	1,106	108	1,268	531	2,613	13.8
Other.....	2,309	1,280	55	792	412	1,040	15.4	2,771	1,601	55	921	624	1,170	17.0
Petroleum.....	586	320	7	135	178	208	10.5	707	420	12	204	214	277	10.0
Manufacturing.....	1,022	481	19	437	28	630	10.2	918	622	20	448	54	394	13.2
Other.....	608	480	29	330	197	243	12.7	1,140	940	24	269	356	488	20.0
Developing countries.....	13,457	6,378	72	2,224	4,883	4,146	32.0	11,712	7,325	-133	2,650	4,877	4,287	24.1
Petroleum.....	6,333	6,144	22	810	4,212	1,180	144.0	4,112	(D)	(D)	1,212	3,171	(D)	55.2
Manufacturing.....	2,036	988	70	779	138	1,018	14.3	2,700	832	77	580	168	1,374	16.3
Other.....	4,758	2,445	-27	635	2,337	1,913	21.2	4,894	(D)	(D)	760	2,640	(D)	20.4
Latin America.....	6,546	3,629	28	1,382	2,333	2,624	10.6	6,850	3,504	-181	1,000	2,618	3,347	18.7
Petroleum.....	1,302	504	5	133	400	788	30.0	663	24	24	183	468	268	23.3
Manufacturing.....	1,501	315	79	628	115	687	12.7	2,141	662	70	424	153	1,500	16.1
Other.....	3,652	2,204	-48	501	1,751	1,440	20.2	3,728	2,176	-263	480	2,000	1,550	18.5
Other.....	6,581	5,855	44	982	4,840	1,338	26.1	4,862	3,022	20	1,534	2,250	1,040	20.7
Petroleum.....	4,140	4,590	17	677	3,840	400	570.5	5,149	(D)	(D)	1,068	1,706	(D)	78.0
Manufacturing.....	835	171	6	151	18	201	21.7	545	180	1	163	14	285	18.6
Other.....	1,106	642	22	135	485	464	25.0	1,188	(D)	(D)	311	340	(D)	22.6
International.....	262	125	58	62	6	127	7.0	548	418	49	349	1	139	15.1

(D) Suppressed to avoid disclosure of data of individual companies.

1. Income divided by the average of the beginning- and end-of-year direct investment positions.

The declines in developed countries reflected a general slowing in economic activity as well as several factors specific to the automobile industry. The latter included rising fuel prices—which dampened demand for automobiles generally and shifted it toward smaller, less profitable models—and increased competition from Japanese imports. Of the \$2.5 billion decline in income from affiliates in developed countries, \$2.2 billion was in transportation equipment, where income shifted from positive to negative. The largest change—a shift to negative income—occurred in Germany. A large decline occurred in the United Kingdom, and smaller declines in several other countries.

Income from affiliates in developed countries also declined in food products, chemicals, and nonelectrical machinery.

The largest declines were in the United Kingdom, and perhaps reflected both a more pronounced economic slowdown there than in most other developed countries and the effects of the previous-

ly mentioned tax changes. (Income was probably boosted significantly more in 1979 by elimination of the deferred tax liabilities than in 1980 by the Advance Corporation Tax refunds.)

Almost all of the increase in income from manufacturing affiliates in developing countries was in Latin America. Within Latin America, Brazil and Mexico accounted for over three-fourths of the increase; Argentina accounted for a large share of the remainder. Although Brazil had the sharpest increase, it represented only a partial recovery from 1979, when income had declined sharply because of unfavorable economic conditions and a large devaluation of the cruzeiro; a substantial portion of the increase was in transportation equipment, where, partly as a result of increased sales by affiliates, income shifted from negative to posi-

Table 8.—Income and Related Items: Source and Relationship

(Billions of dollars)

	1980 amount	Source and relationship
1. Earnings of incorporated affiliates.....	28,780	Reported
2. Earnings of unincorporated affiliates.....	8,050	Reported
3. Earnings.....	27,430	= 1+2
4. Gross dividends (on common and preferred stock).....	11,783	= 5+6
5. Foreign withholding tax on dividends.....	1,075	Derived
6. Dividends.....	10,708	Reported
7. Interest.....	482	Reported
8. Reinvested earnings of incorporated affiliates.....	10,008	= 1-4 or 10-8
9. Interest, dividends, and earnings of unincorporated affiliates.....	10,845	= 2+6+7 or 8+9
10. Income.....	30,842	= 3-5+7 or 8+9

Note.—"Reported" refers to universe estimates derived from reported sample data.

tive. In Mexico, the increase was more evenly dispersed among industries, and reflected continued economic growth, spurred by the development of its petroleum resources.

Income from affiliates in "other" industries increased 6 percent, to \$12.6 billion. It increased 7 percent in developed countries, 3 percent in developing countries, and 44 percent—from a very small base—in "international." The increase in developed countries was in Canada and "other" developed countries, particularly the latter. The increase in Canada was largest in mining; part of it reflected a nonrecurring capital gain on the previously mentioned coal mining affiliate's sale of its petroleum affiliate. (If the U.S. parent had owned the petroleum affiliate directly, the capital gain would have accrued directly to the parent and would not have been included in income from foreign affiliates.) The increase in "other" developed countries was concentrated in Japan and Australia. In the former, it was centered in banking and trade, while in the latter, it was spread over several industries. Income from European affiliates declined; the decline was in banking and trade.

In developing countries, income from affiliates in "other" industries increased slightly in both Latin America and "other" developing countries. In Latin America, increases in trade and banking were largely offset by a decline in finance (except banking), insurance, and real estate. The latter partly reflected an increase in interest payments by U.S. parents to their Netherlands Antillean finance affiliates, which, as noted above, had substantially increased their lending to the parents in 1979 and, to an even greater extent, in 1980. (The increase in interest payments did not result in a comparable, offsetting increase in the earnings component of income from these affiliates because they, in turn, had to make increased interest payments to foreign lenders.)

The rate of return on the direct investment position is defined as the ratio of income to the average of the beginning- and end-of-year positions. The rate is an average for existing investments, at historical book value, and can

thus be of only limited use in predicting the profitability of prospective new investments.

The rate of return declined from 22 percent—a very high rate by historical standards—to 18 percent, because of both a 4-percent decline in income and a 15-percent increase in the average position. The rate of return declined in all three major industries—from 39 to 30 percent in petroleum, from 18 to 13 percent in manufacturing, and from 18 to 17 percent in "other" industries.

The very high rates of return in petroleum in "other" developing countries—579 percent in 1979 and 78 percent in 1980—occurred because a few large affiliates either had substantial accounts receivable due from their U.S. parents or had transferred accounts receivable due from third parties to their parents for collection. In both cases, the parents' direct investment position in the affiliates was reduced, but income was essentially unaffected. The sharp decline in the rate of return from 1979 to 1980 largely reflected the reduction in income from, and the elimination during 1980 of the negative position in, the previously mentioned Middle East branch of a U.S. petroleum company.

Fees and Royalties

Fees and royalties increased 14 percent, to \$5.7 billion (table 9). Royalties, license fees, and other fees for the sale or use of intangible property—such as patents, industrial processes, trademarks, and copyrights—increased 20 percent, to \$3.6 billion. Service charges and charges for the rental of tangible property increased 12 percent, to \$1.8 billion. Film and television tape rentals declined 23 percent, to \$0.3 billion.

Fees and royalties from petroleum affiliates declined 27 percent, to \$0.2 billion. The decline was in service charges and rentals from affiliates in "international" and in "other" developing countries—primarily the Middle East.

Fees and royalties from manufacturing affiliates increased 16 percent, to \$4.0 billion. Over two-thirds of the increase was in Europe, mostly in royalties and license fees. Within Europe, the increase was concentrated in chemicals.

Fees and royalties from affiliates in "other" industries increased 21 percent, to \$1.5 billion. The increase was concentrated in developing countries, where fees and royalties increased 50 percent. Within the developing countries, most of the increase was in service charges and rentals.

Technical Note

For years beginning with 1977, estimates of the U.S. direct investment position abroad and of transactions between U.S. parents and their foreign affiliates have been revised to incorporate the results of the 1977 benchmark survey of U.S. direct investment abroad. The purpose of the survey was to obtain complete and accurate information on such investment in 1977. The survey was a census, intended to cover the investment universe. Reports for 3,540 U.S. parent companies and their 24,000 foreign affiliates were received.⁴

The 1977 survey was the first benchmark survey of U.S. direct investment abroad conducted under the International Investment Survey Act of 1970. The act requires that a benchmark survey be conducted at least once every 5 years. Previous benchmark surveys, conducted under authority of the Bretton Woods Agreements Act of 1945, were less frequent and less comprehensive in terms of the types of information collected. The last such survey covered 1963. Current estimates for the years 1967-76 and previous estimates for the years 1977 forward were linked to that survey.

Table 10 shows five major items for 1977 on two bases—as reported in the 1977 benchmark survey and as previously estimated by linking to the 1968 benchmark survey. Tables 11-18 show four of these items in greater detail for 1979 and 1980; data for 1977 are shown in this same detail in *U.S. Direct Investment Abroad, 1977*, and for 1978 are available upon request.⁵

The remainder of this note is divided into two sections. The first explains the procedure used to expand the sample data collected in nonbenchmark years to universe estimates, and the second summarizes the major differences between the previous and revised series.

4. An additional 11,123 very small affiliates—those with total assets, sales, and net income of less than \$500,000—were exempted from the survey in order to reduce the reporting burden on companies. Despite their large number, exempt affiliates accounted for 1 percent or less of the assets, sales, and net income of all affiliates. Thus, coverage of the universe in terms of value was virtually complete.

5. As explained below, the 1977 data on equity and intercompany account outflows differ from those published in conjunction with the benchmark survey. Detailed 1977 data for this item, as well as the detailed 1978 estimates for other items, may be obtained by writing the Bureau of Economic Analysis (BE-50), U.S. Department of Commerce, Washington, D.C. 20230.

Estimation procedure

For 1977, the data are those reported in the benchmark survey. For all items except equity and intercompany account outflows, the data cover the universe of affiliates. For equity and intercompany account outflows, the data cover only affiliates that were reported in both the benchmark survey and the quarterly sample surveys; therefore, data for the benchmark year are consistent with those for the nonbenchmark years, which, as discussed below, are the sum of reported sample data. In principle, this permitted a better estimate of year-to-year changes in outflows than would have been possible if the data for the universe reported in the benchmark survey and published in *U.S. Direct Investment Abroad, 1977* had been used instead.⁷

For years beginning with 1978, universe estimates were obtained by extrapolating forward the 1977 benchmark survey data, based on quarterly sample data collected in those years. Universe estimates were generally obtained as the sum of three components: (1) current-period data for a matched sample of affiliates—i.e., for affiliates reported in both the prior and current periods, (2) current-period data for affiliates new to the sample, and (3) an estimate of current-period data for affiliates that existed in both periods but were not in the matched sample.⁸ The third component was, in turn, obtained as the product of two factors: (1) the prior-period uni-

7. Because it was measured directly in the benchmark survey, rather than being constructed as a cumulation of capital outflows and valuation adjustments, the U.S. direct investment position abroad at yearend 1977, as published in this article, was not affected by the coverage of 1977 equity and intercompany account outflows.

8. For 1978 and 1979, the prior period was the previous year; for 1980, it was the same quarter of the previous year. For 1978 and 1979, annual estimates were obtained first; then quarterly estimates for those items that are included in the U.S. international transactions accounts were prepared by (1) allocating among quarters the difference between the annual estimate for a given year and the sum of reported quarterly data, and (2) adding those allocated amounts to the reported sample data for each quarter. For 1980, quarterly estimates were prepared directly and summed to yield annual estimates. The method used for 1980 is the one BEA uses to prepare quarterly estimates on a current basis. That method could not be used for 1978, partly because quarterly universe data for 1977 were not available to serve as a benchmark that could be extrapolated to quarterly universe estimates for subsequent years. (Only annual data were collected in the benchmark survey; thus, for all years, the distribution of universe estimates among quarters reflects only the quarterly distribution of reported sample data.) In addition, the method used for 1978 and 1979 was more economical to apply than the one used for 1980, and its use enabled BEA to adhere to its customary publication schedule despite the added task of linking the sample data to a new benchmark survey. Although from a conceptual standpoint, producing quarterly estimates directly has certain advantages over deriving them residually, the choice of method was inconsequential from a practical standpoint, because, once all reports were received, the reported sample data accounted for a very large proportion of the universe estimates based on either method.

verse estimate, adjusted to exclude data for affiliates sold or liquidated since the prior period, less prior-period data for affiliates in the matched sample, and (2) the ratio of current- to prior-period data for the matched sample. The first factor is an estimate of prior-period data for affiliates existing in both periods but not in the matched sample. Its multiplication by the second factor assumed, in effect, that the data for these affiliates grew at the same rate as the data for affiliates in the matched sample. Adjustments were made where this assumption seemed unlikely to hold.

Universe estimates were computed for each country-industry cell shown in the published tables. Universe estimates of interest, dividends, earnings of unincorporated affiliates, earnings of incorporated affiliates, royalties and license fees, service charges and rentals, and film and television tape rentals were computed as described above. Universe estimates of withholding taxes on dividends were obtained by multiplying the universe estimates of dividends by foreign withholding tax rates derived from data reported in the benchmark survey. Equity and intercompany account outflows and valuation adjustments were as reported in the sample surveys; no estimates were made for unreported data.⁹ Universe estimates of reinvested earnings; the sum of interest, dividends, and earnings of unincorporated affiliates; earnings; income; capital outflows; and fees and royalties were derived from the estimates of items mentioned previously. Universe estimates of the direct investment position were obtained as the sum of the previous year's position, current-year capital outflows, and current-year valuation adjustments.

Changes in concepts, definitions, and presentation

In preparation for the benchmark survey, a thorough review was made of direct investment concepts and definitions, and of the table formats used for data presentation. Major differences in concepts, definitions, and presentation between the previous and the revised series are summarized below. Additional details may be found in *U.S. Direct Investment Abroad, 1977*.

Less-than-10-percent ownership interests.—In both the previous and revised series, a private U.S. investment abroad was con-

9. Reported sample data on equity and intercompany account outflows tended to be extremely volatile and were characterized by frequent sign reversals; thus, they could not be used as a basis for providing reliable estimates of unreported transactions, particularly for individual countries and industries. Use of the reported sample data alone assumed, in effect, that unreported transactions netted to zero—i.e., that outflows to some affiliates were exactly offset by inflows from others. To the extent that this assumption did not hold in fact, published outflows are biased. In revised data, the bias is probably small, because, once all reports have been received, the sample has generally been found to account for a large proportion of the universe.

sidered a direct, rather than a portfolio, investment if a single U.S. person owned at least 10 percent of the voting securities (or the equivalent) of a foreign business enterprise. However, in the previous series, an interest of a U.S. person of less than 10 percent was also included in direct investment in two cases: (1) when another U.S. person held an interest of at least 10 percent in the same foreign business enterprise, and (2) when, in the case of a publicly held foreign company, the combined interest of all U.S. persons was at least 50 percent. In the revised series, direct investment is defined strictly from the viewpoint of a single owner, and all less-than-10-percent interests are included in portfolio investment. (In actuality, reclassification of investment in publicly held companies made little difference because U.S. ownership in the only such companies of significant size fell below 50 percent before 1977.)

"International" category.—In the revised series, the "international" category consists of affiliates that have operations spanning more than one country and that are engaged in petroleum shipping, other water transportation, petroleum trading, and oil and gas drilling. (Affiliates in these industries that have operations entirely in one country are classified in that country.) In the previous series, the "international" category was defined more broadly; it included, for example, Netherlands Antillean finance affiliates (see below) and some affiliates engaged in nonpetroleum trading, other finance and insurance, and construction.

Petroleum trading companies.—Most U.S. petroleum parent companies have trading subsidiaries, mainly incorporated in the United States, that purchase foreign-produced petroleum and resell it to customers in both the United States and third countries. In the previous series, these subsidiaries were classified as foreign or domestic, depending largely upon the reporting and consolidation practices of the U.S. parent companies. In processing the 1977 benchmark survey, BEA attempted to classify these subsidiaries more consistently, based on objective criteria; these criteria were also applied in deriving the extrapolated series for 1978 forward.

If a petroleum trading subsidiary met any of the following criteria, it was usually classified as a foreign affiliate: (1) the subsidiary had employees or property, plant, and equipment located abroad, (2) the buying and selling of petroleum took place from a foreign location, (3) the subsidiary paid taxes to a foreign government, or (4) the subsidiary was incorporated in a foreign country. If none of these criteria were met, the subsidiary was usually treated as domestic (United States) and was included as part of the consolidated U.S. company. In most cases, the application of these criteria resulted in the reclassification of the trading subsidiaries from foreign to domestic.

In the typical case of a subsidiary that was

reclassified from foreign to domestic, capital and income transactions with U.S. persons were considered foreign-to-domestic (United States) in the previous series and included in the direct or portfolio investment accounts, the account depending upon whether the transactions were with the U.S. parent, as previously consolidated, or with unaffiliated U.S. persons; in the revised series, the transactions are considered purely domestic and are, therefore, not included in either investment account. On the other hand, the subsidiary's transactions with foreign persons were considered purely foreign in the previous series and were, therefore, not included in either investment account; in the revised series, they are considered domestic (United States)-to-foreign and are included in the direct or portfolio investment accounts, the account depending upon whether the transactions were with foreign affiliates of the U.S. parent, as newly consolidated, or with unaffiliated foreigners.

Netherlands Antillean finance affiliates.—In the previous series, beginning in 1968, intercompany accounts excluded funds that Netherlands Antillean finance affiliates (N.V. were borrowed from unaffiliated foreigners, and then transferred to U.S. parents, by affiliates). Instead, this borrowing was treated as direct borrowing abroad by the U.S. parents, and was included in the portfolio investment accounts.

(Text continued on p. 30)

Table 9.—Fees and Royalties, 1979-80

(Millions of dollars)

	1979				1978			
	Total	Royalties and license fees	Service charges and rentals	Film and television tape rentals	Total	Royalties and license fees	Service charges and rentals	Film and television tape rentals
All areas.....	4,988	3,462	1,613	313	5,886	3,466	1,872	261
Petroleum.....	323	21	304	0	237	24	213	0
Manufacturing.....	3,429	2,603	196	0	3,976	2,911	1,064	0
Other.....	1,236	478	413	385	1,483	636	995	203
Developed countries.....	4,181	2,803	1,463	296	4,748	3,316	1,584	231
Petroleum.....	225	11	214	0	253	13	240	0
Manufacturing.....	3,103	2,353	747	0	3,583	2,719	843	0
Other.....	857	438	122	206	823	586	117	201
Canada.....	886	852	806	37	821	367	436	38
Petroleum.....	50	3	47	0	67	2	64	0
Manufacturing.....	858	807	351	0	718	384	379	0
Other.....	178	33	108	37	151	30	94	28
Europe.....	2,548	2,031	418	202	2,053	2,486	479	145
Petroleum.....	149	7	141	0	158	10	147	0
Manufacturing.....	1,907	1,702	295	0	2,368	2,016	350	0
Other.....	500	322	23	202	581	439	29	145
Other.....	650	420	163	58	724	485	181	58
Petroleum.....	26	1	25	0	20	1	20	0
Manufacturing.....	445	345	181	0	482	388	115	9
Other.....	178	84	85	58	221	118	47	58
Developing countries.....	1,008	199	770	39	1,238	284	516	23
Petroleum.....	335	10	205	0	276	12	265	0
Manufacturing.....	328	150	170	0	418	202	211	0
Other.....	345	39	285	39	545	70	443	32
Latin America.....	422	123	268	31	501	200	344	25
Petroleum.....	49	0	44	0	48	7	41	0
Manufacturing.....	200	180	0	0	265	128	127	0
Other.....	173	27	115	31	228	55	106	25
Other.....	587	68	513	0	644	84	553	7
Petroleum.....	256	4	202	0	228	5	223	0
Manufacturing.....	120	50	80	0	150	84	84	0
Other.....	101	13	171	0	267	15	245	7
International.....	-210	0	-210	0	-288	0	-288	0

Table 10.—Comparison of Estimates of Selected Items for 1977 Based on the 1966 and 1977 Benchmark Surveys

(Millions of dollars)

	Direct investment position		Equity and intercompany account surpluses		Reinvested earnings of incorporated affiliates		Income		Fees and royalties	
	1966 basis	1977 basis	1966 basis	1977 basis	1966 basis	1977 basis	1966 basis	1977 basis	1966 basis	1977 basis
All areas.....	149,848	146,998	5,612	5,487	7,386	6,396	20,081	19,672	3,793	3,993
Petroleum.....	31,420	28,630	1,702	1,010	1,812	785	5,258	5,231	420	49
Manufacturing.....	86,036	82,049	1,282	1,943	3,443	2,604	7,482	6,656	2,345	3,733
Other.....	32,392	36,319	2,628	3,534	2,131	3,007	7,341	7,885	1,027	1,105
Developed countries.....	106,225	110,128	2,901	3,350	5,083	4,508	11,885	11,288	3,045	3,497
Petroleum.....	24,851	23,737	1,357	1,335	653	580	3,107	2,678	180	150
Manufacturing.....	53,700	50,474	1,218	1,417	2,711	1,074	6,088	5,428	2,180	2,532
Other.....	20,553	35,909	327	607	1,644	1,952	2,688	4,237	680	814
Canada.....	35,200	35,082	-248	-44	1,707	1,830	3,181	3,253	672	791
Petroleum.....	7,880	7,018	-3	-6	811	848	886	1,014	26	808
Manufacturing.....	10,896	14,793	38	-228	855	543	1,281	1,226	488	545
Other.....	10,844	13,271	-281	186	441	441	944	1,013	149	107
Europe.....	60,680	62,853	2,080	2,908	2,845	3,381	7,901	7,211	1,868	2,231
Petroleum.....	12,947	13,620	1,325	1,266	-88	-201	620	747	121	70
Manufacturing.....	31,672	30,470	1,080	1,484	1,885	1,244	4,308	3,802	1,336	1,845
Other.....	16,061	18,763	675	186	1,078	1,338	2,165	2,772	403	485
Other.....	12,003	12,516	230	504	458	496	1,422	1,428	512	475
Petroleum.....	3,244	3,003	36	84	140	136	513	312	23	23
Manufacturing.....	5,342	5,200	141	162	181	187	630	570	361	320
Other.....	3,510	4,214	62	235	128	173	670	602	128	132
Developing countries.....	34,662	31,868	2,768	2,284	3,263	1,928	7,942	7,685	764	681
Petroleum.....	3,820	1,618	428	-236	485	288	3,497	3,173	226	167
Manufacturing.....	12,324	11,645	84	128	884	681	1,273	1,227	166	206
Other.....	18,518	18,737	2,254	3,374	650	1,061	3,072	3,286	318	288
Latin America.....	28,110	27,514	2,422	2,626	1,582	1,423	3,968	3,713	837	298
Petroleum.....	3,480	2,786	282	-27	271	91	823	80	26	40
Manufacturing.....	10,063	9,014	80	280	878	471	1,102	921	123	119
Other.....	14,567	15,114	2,060	2,254	632	861	2,263	2,401	125	140
Other.....	6,353	4,286	344	-302	888	506	3,054	3,072	867	382
Petroleum.....	91	-1,288	136	-208	315	106	2,874	2,782	127	127
Manufacturing.....	2,281	1,081	-16	-172	158	180	271	268	37	37
Other.....	4,081	3,623	225	120	317	200	809	894	103	148
International.....	7,140	4,078	-58	-127	1	-38	264	188	44	-274

Table 11.—U.S. Direct Investment Position Abroad, Yearend 1979

(Millions of dollars)

	All industries	Mining	Petroleum	Manufacturing								Trade	Banking	Finance (except banking), insurance, and real estate	Other industries
				Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Machinery, except electrical	Electric and electronic equipment	Transportation equipment	Other manufacturing				
All countries.....	184,748	5,641	38,744	78,648	7,347	26,878	5,508	14,382	6,543	18,427	17,555	22,877	4,591	25,622	9,234
Developed countries.....	138,665	4,785	30,220	63,418	5,593	13,651	4,903	12,945	4,966	8,947	11,474	18,153	3,484	11,915	8,231
Canada.....	40,243	2,884	3,648	17,392	1,778	2,908	1,518	1,738	1,180	3,310	4,925	3,597	(D)	5,834	(D)
Europe.....	82,022	34	17,765	38,403	3,273	8,648	2,188	9,570	2,364	4,568	7,773	12,128	4,034	7,276	2,964
European Communities (9).....	68,981	14	14,919	35,739	2,904	8,008	2,058	9,051	2,837	4,159	8,787	11,328	2,297	4,197	2,117
Belgium.....	5,881	(D)	831	3,172	132	1,348	142	288	877	(D)	1,206	280	(D)	496	(D)
Denmark.....	1,117	0	375	182	59	(D)	17	(*)	(D)	(D)	40	302	(D)	43	(D)
France.....	8,024	(*)	(D)	5,128	287	910	228	1,004	243	558	931	1,107	208	324	58
Germany.....	13,821	(*)	2,817	8,575	483	1,394	560	2,484	771	1,649	1,203	1,601	601	392	58
Ireland.....	1,748	(*)	(D)	1,281	99	500	43	119	28	5	207	11	(D)	(D)	5
Italy.....	4,381	0	603	2,818	110	614	142	358	402	108	405	353	100	37	50
Luxembourg.....	530	0	(D)	203	1	(D)	1	27	(D)	4	118	10	(D)	(D)	1
Netherlands.....	6,010	0	1,017	2,055	412	1,171	255	835	113	(D)	(D)	870	107	500	582
United Kingdom.....	23,830	(D)	6,704	11,425	1,229	2,010	602	2,722	546	1,502	2,704	1,638	508	2,142	(D)
Other Europe.....	16,041	20	2,837	3,603	379	641	122	519	527	420	1,008	5,788	897	3,079	877
Austria.....	404	0	(D)	98	0	(D)	(D)	(D)	(D)	(*)	5	142	(D)	(D)	4
Greece.....	381	1	126	139	(D)	48	(D)	(*)	(D)	(*)	(D)	58	41	12	4
Norway.....	1,249	(D)	1,078	119	(*)	14	(D)	0	(D)	0	(D)	88	0	0	58
Portugal.....	210	0	65	79	(D)	28	(D)	1	(D)	3	(D)	21	(D)	(*)	(D)
Spain.....	2,650	2	343	1,613	245	388	(D)	(D)	223	(D)	(D)	489	(D)	45	(D)
Sweden.....	1,396	0	(D)	548	30	24	(D)	(D)	(D)	(D)	(D)	166	0	(D)	(D)
Switzerland.....	4,690	0	275	804	(D)	81	45	115	166	(D)	(D)	4,587	528	2,730	206
Turkey.....	222	(D)	155	48	(D)	(D)	(*)	3	(D)	0	(D)	(D)	(*)	(D)	(D)
Other.....	603	0	72	128	0	(D)	(*)	1	(D)	(D)	(D)	203	(D)	(D)	1
Japan.....	6,206	0	1,008	2,775	171	570	67	1,061	184	281	370	1,040	(D)	160	(D)
Australia, New Zealand, and South Africa.....	9,606	1,307	1,010	3,048	471	748	330	878	258	683	865	1,330	183	547	260
Australia.....	7,156	1,186	1,156	2,902	309	400	245	437	178	630	504	978	158	592	305
New Zealand.....	524	0	(D)	180	27	43	5	0	10	(D)	(D)	(D)	(D)	15	4
South Africa.....	1,926	137	(D)	366	134	206	80	131	65	(D)	(D)	(D)	(D)	38	50
Developing countries.....	44,424	1,746	4,033	14,122	1,554	3,847	1,405	1,437	1,576	1,508	3,424	4,575	3,417	11,164	2,967
Latin America.....	35,060	1,191	3,058	12,410	1,470	2,081	1,178	1,291	907	1,425	2,127	2,102	2,308	10,400	1,425
South America.....	14,341	858	2,010	8,023	701	1,838	765	1,012	544	912	2,181	1,314	542	1,040	646
Argentina.....	1,880	(D)	305	1,184	31	293	68	163	40	250	247	136	95	17	(D)
Brazil.....	7,186	110	381	4,532	410	882	410	534	380	548	1,306	506	285	828	194
Chile.....	250	0	70	(D)	17	17	10	1	2	(D)	(D)	49	18	2	(D)
Colombia.....	852	(D)	108	492	58	178	15	6	40	(D)	(D)	55	11	20	(D)
Ecuador.....	303	0	164	91	35	8	(D)	0	18	2	(D)	36	(D)	(*)	(D)
Peru.....	1,537	(D)	(D)	(D)	23	23	(D)	1	10	(D)	23	32	4	4	24
Venezuela.....	1,787	(*)	67	819	187	300	35	5	35	22	325	310	(D)	150	(D)
Other.....	877	2	(D)	248	(D)	11	(D)	1	4	(D)	(D)	18	44	27	(D)
Central America.....	5,212	121	687	4,025	482	1,005	(D)	290	540	513	(D)	1,171	118	1,573	567
Mexico.....	4,590	76	145	3,451	306	870	393	267	420	803	787	437	(D)	170	(D)
Panama.....	2,874	5	389	214	(D)	108	0	(*)	1	(D)	(D)	842	41	1,441	243
Other.....	848	30	113	380	(D)	116	(D)	1	28	4	(D)	92	(D)	13	(D)
Other Western Hemisphere.....	12,808	212	1,203	363	187	140	(D)	(*)	14	(*)	(D)	808	1,529	7,888	422
Bahamas.....	2,254	4	(D)	37	(D)	(D)	0	0	1	0	(D)	183	1,178	380	(D)
Bermuda.....	9,908	0	293	2	(*)	0	0	(*)	0	0	2	(D)	7	0	(D)
Netherlands Antilles.....	1,551	(D)	(D)	(D)	1	(D)	0	0	(*)	0	(D)	13	(D)	21	(D)
Trinidad and Tobago.....	238	0	(D)	(D)	4	(D)	0	0	4	0	(D)	11	(D)	3	46
Other.....	1,366	(D)	164	(D)	(D)	(D)	(D)	0	0	(*)	(D)	(D)	(D)	452	(D)
Other Africa.....	2,828	443	1,738	349	3	75	111	4	36	(D)	(D)	106	88	100	305
Algeria.....	1,470	0	1,305	50	8	6	3	(D)	2	0	(D)	18	27	4	45
Egypt.....	1,034	0	844	(D)	0	0	0	0	0	0	(D)	0	38	0	(D)
Libya.....	374	0	246	12	0	0	0	0	0	0	(D)	2	0	0	6
Other.....	163	0	105	(D)	3	2	3	(D)	2	0	(D)	0	1	2	(D)
Sub-Saharan.....	1,558	443	424	288	1	72	108	(D)	36	(D)	(D)	38	48	104	180
Liberia.....	282	(D)	4	(*)	0	(*)	(*)	0	8	0	(D)	0	(D)	0	70
Nigeria.....	1,07	0	226	63	(D)	35	(D)	(*)	0	0	(D)	34	(D)	6	28
Other.....	1,304	(D)	647	235	(D)	37	(D)	(D)	38	(D)	(D)	12	(D)	(D)	42
Middle East.....	1,000	(D)	2,006	212	19	30	10	18	76	15	25	227	132	68	(D)
Israel.....	816	0	(D)	142	8	20	5	(D)	0	2	(D)	(D)	18	(D)	15
OPEC.....	1,791	(D)	2,470	68	10	19	2	15	(D)	(D)	(D)	188	96	(D)	(D)
Other.....	476	0	(D)	3	1	0	3	(D)	(D)	(D)	(D)	18	28	14	0
Other Asia and Pacific.....	2,440	(D)	2,481	2,151	222	840	106	135	554	(D)	(D)	1,049	880	438	(D)
Hong Kong.....	1,770	0	150	297	(D)	72	(D)	(D)	61	(*)	(D)	276	177	304	257
India.....	841	0	10	287	(D)	145	24	(D)	33	0	(D)	10	3	(D)	(D)
Indonesia.....	1,101	(D)	806	103	0	18	(D)	1	(D)	(*)	(D)	15	11	6	(D)
Malaysia.....	681	3	(D)	189	4	24	2	2	50	1	(D)	15	10	3	26
Philippines.....	1,254	(*)	378	434	142	137	18	3	68	(D)	(D)	95	138	28	118
Singapore.....	850	0	293	294	7	14	23	20	177	20	(D)	14	76	24	58
South Korea.....	480	0	(D)	219	21	106	3	(D)	20	(D)	(D)	42	(D)	20	20
Taiwan.....	382	0	35	252	14	81	(*)	5	111	14	(D)	87	50	4	5
Thailand.....	200	8	(D)	65	10	10	(D)	0	(D)	(*)	(D)	31	25	1	10
Other.....	181	(D)	42	51	(D)	43	0	(*)	1	0	(D)	15	(D)	(D)	(D)
International.....	3,557		2,432									523	218	184	1,135
Memorandum—OPEC.....	1,888	812	1,242	1,348	213	336	77	24	(D)	28	(D)	523	218	184	771

* Less than \$500,000 (±).

† Suppressed to avoid disclosure of data of individual companies.

Table 12.—U.S. Direct Investment Position Abroad, Yearend 1980

(In billions of dollars)

	All industries	Mining	Petroleum	Manufacturing								Trade	Banking	Finance (except banking), insurance, and real estate	Other industries
				Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Machinery, except electrical	Electric and electronic equipment	Transportation equipment	Other manufacturing				
All countries.....	213,468	6,494	44,929	89,063	3,283	19,044	6,298	15,987	7,382	12,343	19,796	26,753	7,193	27,212	14,834
Developed countries.....	187,694	4,487	34,173	71,999	3,351	14,582	4,646	14,423	6,483	16,341	16,613	26,548	3,736	16,712	6,030
Canada.....	44,040	2,007	10,873	18,802	1,476	3,362	1,639	1,864	1,203	3,488	5,200	3,092	(D)	6,130	(D)
Europe.....	95,688	37	19,824	46,426	2,790	9,686	2,522	10,587	3,607	6,063	8,564	14,040	3,146	9,086	3,448
European Communities (D).....	70,668	(D)	10,904	41,476	1,266	9,928	2,416	10,180	3,245	5,498	7,868	6,957	2,442	6,370	(D)
Belgium.....	6,287	(D)	743	2,307	122	1,203	149	330	602	(D)	(D)	1,302	271	322	(D)
Denmark.....	1,280	(D)	690	221	64	(D)	(D)	1	(D)	(D)	(D)	283	32	(D)	(D)
France.....	8,318	(D)	1,262	5,031	203	1,049	297	2,388	249	627	1,088	1,288	240	240	(D)
Germany.....	16,303	(D)	3,478	9,677	789	1,484	588	2,511	857	2,825	1,422	1,659	707	351	120
Ireland.....	2,220	(D)	(D)	1,430	107	628	41	179	61	(D)	441	20	(D)	(D)	(D)
Italy.....	6,306	(D)	1,237	3,336	130	711	186	890	600	111	908	435	238	30	111
Luxembourg.....	618	(D)	(D)	242	1	(D)	(D)	33	(D)	3	115	-11	(D)	(D)	1
Netherlands.....	7,048	(D)	2,863	3,600	439	1,161	285	850	123	(D)	(D)	593	91	801	614
United Kingdom.....	26,039	(D)	8,202	14,047	1,407	2,317	296	3,032	878	(D)	(D)	1,030	664	4,026	(D)
Other Europe.....	19,896	(D)	3,020	2,949	304	707	116	557	452	570	1,084	7,063	704	3,297	(D)
Austria.....	471	(D)	(D)	124	9	(D)	(D)	(D)	(D)	(D)	(D)	158	18	(D)	5
Greece.....	247	(D)	70	140	(D)	77	(D)	(D)	(D)	(D)	(D)	63	12	(D)	2
Norway.....	1,688	(D)	1,370	141	(D)	15	(D)	3	(D)	0	(D)	87	0	(D)	53
Portugal.....	266	(D)	78	89	(D)	31	(D)	-1	(D)	(D)	23	(D)	0	(D)	(D)
Spain.....	2,608	(D)	1,724	260	(D)	430	(D)	(D)	134	(D)	(D)	612	(D)	46	(D)
Sweden.....	1,400	(D)	678	29	(D)	78	55	308	(D)	(D)	(D)	282	(D)	(D)	(D)
Switzerland.....	11,276	(D)	288	640	(D)	(D)	7	124	167	(D)	(D)	6,782	(D)	2,818	324
Turkey.....	207	(D)	162	36	(D)	(D)	8	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Other.....	601	(D)	70	166	(D)	(D)	(D)	(D)	(D)	(D)	(D)	230	(D)	(D)	23
Japan.....	8,274	0	1,668	2,900	106	608	82	1,144	208	209	426	1,130	(D)	191	(D)
Australia, New Zealand, and South Africa.....	10,484	1,453	2,110	4,182	539	809	303	718	254	527	940	1,473	180	718	354
Australia.....	7,584	1,292	1,224	2,908	327	518	206	522	167	447	630	1,041	186	662	200
New Zealand.....	870	3	(D)	186	31	49	6	11	18	(D)	(D)	(D)	(D)	16	3
South Africa.....	2,021	158	(D)	1,076	102	242	90	185	71	(D)	(D)	(D)	(D)	40	61
Developing countries.....	35,774	2,007	(D)	17,464	1,932	4,462	1,652	1,564	1,899	2,002	4,183	6,204	3,456	10,500	(D)
Latin America.....	28,275	1,406	4,236	14,489	1,675	3,588	1,378	1,388	1,023	1,862	3,500	3,836	2,543	9,706	1,098
South America.....	15,301	550	2,165	9,887	988	2,080	830	884	538	1,115	2,371	1,420	640	1,040	684
Argentina.....	2,440	(D)	390	1,546	170	415	71	124	64	400	315	213	120	10	(D)
Brazil.....	7,540	142	313	5,128	430	1,038	442	834	305	631	1,267	538	220	813	208
Chile.....	806	7	70	(D)	(D)	23	13	1	(D)	(D)	(D)	64	29	4	(D)
Colombia.....	961	(D)	217	547	76	184	17	8	44	(D)	(D)	97	12	23	(D)
Ecuador.....	321	0	158	114	27	17	(D)	0	19	(D)	2	22	(D)	-1	(D)
Peru.....	1,608	(D)	(D)	7	33	(D)	(D)	1	13	(D)	22	68	5	4	20
Venezuela.....	1,897	(D)	39	1,035	220	344	53	(D)	28	(D)	286	308	(D)	158	(D)
Other.....	885	1	(D)	307	15	(D)	(D)	(D)	(D)	(D)	(D)	23	50	31	(D)
Central America.....	20,103	138	683	5,157	544	1,335	(D)	281	461	748	(D)	1,399	210	1,568	836
Mexico.....	5,040	98	148	4,501	370	1,055	510	281	428	742	(D)	710	(D)	137	(D)
Panama.....	3,100	(D)	568	280	(D)	163	(D)	(D)	1	0	(D)	581	(D)	1,375	(D)
Other.....	1,963	30	144	417	(D)	138	(D)	(D)	34	4	(D)	85	(D)	17	(D)
Other Western Hemisphere.....	12,311	312	1,304	444	163	182	(D)	(D)	23	(D)	(D)	1,024	1,655	7,115	488
Bahamas.....	2,701	(D)	284	40	(D)	(D)	0	0	2	0	(D)	210	1,338	892	(D)
Bermuda.....	10,874	0	-203	15	(D)	12	0	(D)	(D)	0	(D)	(D)	(D)	10,312	(D)
Netherlands Antilles.....	4,072	(D)	(D)	-1	(D)	(D)	0	0	3	0	(D)	18	(D)	4,534	34
Trinidad and Tobago.....	1,002	(D)	(D)	(D)	(D)	(D)	0	0	3	0	(D)	(D)	(D)	3	47
Other.....	1,847	202	138	155	(D)	(D)	(D)	0	16	(D)	(D)	(D)	(D)	711	(D)
Other Africa.....	3,730	465	2,210	426	(D)	65	140	7	50	(D)	(D)	406	130	117	277
Algeria.....	1,707	0	1,394	97	11	5	2	(D)	2	0	(D)	23	56	4	54
Egypt.....	1,020	0	913	(D)	1	2	0	0	(D)	0	(D)	(D)	56	2	(D)
Libya.....	577	0	553	15	0	0	0	(D)	6	0	(D)	2	0	0	7
Other.....	191	0	128	(D)	10	3	2	(D)	2	0	(D)	(D)	(D)	2	(D)
Sub-Saharan.....	1,033	465	815	358	-11	(D)	137	(D)	48	(D)	(D)	83	74	113	224
Liberia.....	278	(D)	(D)	(D)	0	(D)	(D)	0	0	(D)	(D)	(D)	(D)	(D)	110
Nigeria.....	27	0	-183	71	(D)	50	(D)	(D)	(D)	0	(D)	43	(D)	(D)	(D)
Other.....	1,028	(D)	(D)	288	(D)	40	(D)	(D)	48	(D)	(D)	(D)	(D)	(D)	(D)
Middle East.....	2,281	(D)	(D)	237	21	30	10	21	80	15	(D)	238	175	109	(D)
Israel.....	380	0	(D)	164	10	21	5	(D)	(D)	2	(D)	19	(D)	(D)	14
OPEC.....	1,891	(D)	(D)	70	10	17	2	17	(D)	(D)	(D)	115	117	(D)	(D)
Other.....	51	0	(D)	3	1	(D)	3	(D)	(D)	(D)	(D)	(D)	45	17	(D)
Other Asia and Pacific.....	3,307	(D)	2,771	2,513	235	741	126	188	880	(D)	(D)	1,036	636	565	(D)
Hong Kong.....	1,060	0	108	380	(D)	85	(D)	(D)	30	(D)	(D)	210	210	377	330
India.....	306	0	(D)	289	(D)	167	22	(D)	33	(D)	(D)	10	(D)	(D)	(D)
Indonesia.....	1,334	(D)	922	140	7	23	(D)	5	(D)	(D)	(D)	26	0	6	20
Malaysia.....	618	3	(D)	164	4	27	(D)	1	30	(D)	(D)	7	7	3	30
Philippines.....	1,244	(D)	533	531	137	140	(D)	4	81	(D)	(D)	87	117	20	145
Singapore.....	1,106	0	456	391	8	18	30	38	228	(D)	(D)	166	90	30	60
South Korea.....	587	0	(D)	190	31	92	3	(D)	21	(D)	(D)	45	83	4	7
Taiwan.....	610	0	38	330	15	100	(D)	(D)	139	(D)	(D)	28	28	1	5
Thailand.....	360	10	(D)	87	13	30	(D)	0	20	(D)	(D)	10	27	(D)	(D)
Other.....	182	(D)	30	58	(D)	40	(D)	(D)	(D)	0	(D)	(D)	(D)	(D)	(D)
International.....	3,781	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Memorandum—OPEC.....	6,268	187	(D)	1,448	(D)	453	83	(D)	(D)	(D)	(D)	838	232	(D)	(D)

(D) Less than \$500,000 (a).

(D) Suppressed to avoid disclosure of data of individual companies.

Table 12.—Equity and Intercompany Account Outflows, 1979

(Millions of dollars)

	All industries	Mining	Petroleum	Manufacturing								Trade	Banking	Finance (except banking), insurance, and real estate	Other industries
				Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Machinery, except electrical	Electric and electronic equipment	Transportation equipment	Other manufacturing				
All countries.....	4,684	-164	3,120	1,176	131	794	212	72	18	-162	29	774	487	-373	-149
Developed countries.....	2,723	-112	918	537	128	711	284	-154	-61	-124	-56	654	236	645	862
Canada.....	1,335	14	150	455	-1	112	184	-65	8	131	-186	140	(1)	191	(2)
Europe.....	1,325	19	820	-183	119	545	93	-48	-79	(2)	(2)	208	299	326	83
European Communities (8).....	713	15	219	-325	73	501	90	-66	-125	-312	114	297	166	210	(2)
Belgium.....	138	1	(2)	208	5	120	(2)	23	-3	(2)	(2)	141	40	(2)	(2)
Denmark.....	126	0	77	32	(2)	(2)	(2)	0	(2)	(2)	(2)	17	3	(2)	(2)
France.....	247	(2)	(2)	97	14	45	16	-7	18	15	(2)	129	24	171	17
Germany.....	-736	0	-216	-548	80	13	12	-91	3	(2)	(2)	52	25	11	(2)
Ireland.....	84	0	33	58	30	13	6	0	0	0	0	0	0	0	0
Italy.....	80	0	-27	52	0	18	11	1	0	0	0	0	0	0	0
Luxembourg.....	-80	0	-3	-65	0	(2)	3	1	0	0	0	0	0	0	0
Netherlands.....	487	0	213	120	0	122	3	0	0	0	0	113	81	102	165
United Kingdom.....	80	(2)	82	-266	8	141	4	0	-207	370	116	-15	81	185	0
Other Europe.....	512	2	384	142	44	38	1	17	86	0	0	-180	83	110	21
Austria.....	-43	0	11	48	(2)	(2)	(2)	(2)	(2)	(2)	(2)	1	1	0	0
Greece.....	82	0	32	0	0	0	0	0	0	0	0	12	0	0	0
Norway.....	161	0	170	0	0	0	0	0	0	0	0	12	0	0	0
Portugal.....	54	0	12	4	0	0	0	0	0	0	0	13	0	0	0
Spain.....	200	0	140	60	0	0	0	0	0	0	0	13	0	0	0
Sweden.....	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Switzerland.....	10	0	57	0	0	0	0	0	0	0	0	-206	0	123	0
Turkey.....	-14	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other.....	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Japan.....	428	0	362	169	4	0	1	13	1	0	0	1	0	28	0
Australia, New Zealand, and South Africa.....	39	174	155	88	18	15	0	0	0	0	0	108	1	1	28
Australia.....	143	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Zealand.....	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Africa.....	-163	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Developing countries.....	2,745	-14	2,316	639	1	78	34	26	61	173	78	319	219	-933	61
Latin America.....	270	-45	58	555	3	71	30	231	38	130	55	247	291	-945	150
South America.....	166	45	206	357	1	103	10	159	1	72	30	124	133	125	21
Argentina.....	180	0	154	82	0	0	0	0	0	0	0	0	0	0	0
Brazil.....	325	0	172	280	0	0	0	0	0	0	0	0	0	0	0
Chile.....	38	0	7	7	0	0	0	0	0	0	0	0	0	0	0
Colombia.....	43	0	0	27	0	0	0	0	0	0	0	0	0	0	0
Ecuador.....	0	0	0	11	0	0	0	0	0	0	0	0	0	0	0
Peru.....	318	0	0	1	0	0	0	0	0	0	0	0	0	0	0
Venezuela.....	15	0	0	1	0	0	0	0	0	0	0	0	0	0	0
Other.....	37	0	0	41	0	0	0	0	0	0	0	0	0	0	0
Central America.....	370	1	26	182	0	0	0	0	0	0	0	125	0	0	55
Maricao.....	225	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Panama.....	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other.....	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Western Hemisphere.....	-1,066	-163	-300	5	1	0	0	0	0	0	0	0	0	0	23
Bahamas.....	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bermuda.....	-1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Netherlands Antilles.....	-1,212	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trinidad and Tobago.....	27	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other.....	106	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Africa.....	362	24	294	0	0	0	0	0	0	0	0	0	0	0	0
Bahran.....	379	0	167	0	0	0	0	0	0	0	0	0	0	0	0
Egypt.....	174	0	104	0	0	0	0	0	0	0	0	0	0	0	0
Libya.....	363	0	157	0	0	0	0	0	0	0	0	0	0	0	0
Other.....	37	0	37	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Saharan.....	-12	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Liberia.....	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nigeria.....	-184	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other.....	111	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Middle East.....	1,613	0	75	14	0	0	0	0	0	0	0	0	0	0	0
Israel.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OPEC.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Asia and Pacific.....	600	0	128	70	0	0	0	0	0	0	0	0	0	0	0
Hong Kong.....	-45	0	15	0	0	0	0	0	0	0	0	0	0	0	0
India.....	-1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Indonesia.....	121	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Malaysia.....	171	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Philippines.....	244	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Singapore.....	-67	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Korea.....	226	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Taiwan.....	27	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Thailand.....	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other.....	31	0	0	0	0	0	0	0	0	0	0	0	0	0	0
International.....	-484	0	-133	0	0	0	0	0	0	0	0	0	0	0	0
Memorandum—OPEC.....	1,611	11	1,490	(2)	(2)	0	(2)	(2)	(2)	(2)	(2)	0	(2)	(2)	-14

*Less than \$50,000 (th).

†Suppressed to avoid disclosure of data of individual companies.

Table 14.—Equity and Intercompany Account Outflows, 1980

(Millions of dollars)

	All industries	Mining	Petroleum	Manufacturing								Trade	Banking	Finance (except banking), insurance, and real estate	Other industries
				Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Machinery, except electrical	Electronic and electric equipment	Transportation equipment	Other manufacturing				
All countries.....	1,548	-196	-2,787	3,544	279	69	317	265	-5	1,016	512	432	421	-291	186
Developed countries.....	5,055	-795	(7)	3,145	196	64	228	294	-22	1,989	444	391	123	1,695	135
Canada.....	370	-383	518	385	-90	112	31	-18	-8	273	25	17	(2)	-181	(2)
Europe.....	4,983	4	-101	2,754	201	9	211	228	-7	1,713	405	321	31	1,551	301
European Communities (a).....	4,615	(2)	-117	2,679	187	10	207	222	28	1,655	399	18	-25	1,401	(2)
Belgium.....	60	2	(2)	23	7	13	(2)	(2)	28	(2)	28	30	1	(2)	14
Denmark.....	84	0	(2)	274	15	50	(2)	102	7	(2)	48	82	11	(2)	55
France.....	344	(2)	(2)	944	111	105	(2)	26	(2)	(2)	12	55	14	(2)	1
Germany.....	1,072	0	(2)	28	3	6	(2)	19	13	(2)	2	12	(2)	(2)	1
Ireland.....	34	0	(2)	117	26	29	(2)	16	6	(2)	2	12	(2)	(2)	1
Italy.....	324	0	(2)	17	0	8	(2)	16	2	(2)	2	12	(2)	(2)	1
Luxembourg.....	16	0	(2)	174	13	81	(2)	16	2	(2)	2	12	(2)	(2)	1
Netherlands.....	485	0	(2)	168	17	13	(2)	16	2	(2)	2	12	(2)	(2)	1
United Kingdom.....	2,129	(2)	-1,068	1,349	48	(2)	168	11	2	821	(2)	12	(2)	1,856	(2)
Other Europe.....	447	(2)	16	75	14	23	6	6	135	57	7	37	57	130	(2)
Austria.....	27	0	(2)	11	4	4	2	2	1	1	1	1	1	1	1
Greece.....	-55	(2)	(2)	-20	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Norway.....	300	(2)	289	1	1	1	1	1	1	1	1	1	1	1	1
Portugal.....	15	0	3	11	1	1	1	1	1	1	1	1	1	1	1
Spain.....	-16	(2)	-148	75	22	3	3	3	3	3	3	3	3	3	3
Sweden.....	-16	0	-157	15	4	8	3	3	3	3	3	3	3	3	3
Switzerland.....	247	0	32	14	(2)	(2)	(2)	2	(2)	(2)	(2)	12	(2)	(2)	(2)
Turkey.....	-11	0	(2)	1	0	1	3	3	1	(2)	(2)	4	(2)	(2)	(2)
Other.....	-2	0	13	1	0	1	3	3	1	(2)	(2)	4	(2)	(2)	(2)
Japan.....	-221	0	-370	27	8	-11	13	24	15	(2)	24	37	(2)	28	(2)
Australia, New Zealand, and South Africa.....	-55	-18	-17	-12	16	14	3	30	23	12	12	12	12	12	12
Australia.....	-34	-10	1	-38	10	14	1	32	21	12	12	12	12	12	12
New Zealand.....	-1	0	(2)	3	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
South Africa.....	-16	16	(2)	22	6	2	1	18	1	(2)	(2)	(2)	(2)	(2)	(2)
Developing countries.....	-1,464	204	(2)	398	83	4	97	71	17	17	24	72	347	-1,584	(2)
Latin America.....	-991	157	90	402	111	24	68	54	15	50	24	206	256	-2,068	296
South America.....	370	48	137	88	33	30	32	12	13	13	13	28	70	15	10
Argentina.....	115	(2)	57	1	1	1	1	1	1	1	1	1	1	1	1
Brazil.....	-50	3	-6	-87	13	10	1	14	1	1	1	1	1	1	1
Chile.....	27	(2)	3	13	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Colombia.....	63	(2)	17	22	1	1	1	1	1	1	1	1	1	1	1
Ecuador.....	2	0	3	10	1	1	1	1	1	1	1	1	1	1	1
Peru.....	116	(2)	12	38	13	1	1	1	1	1	1	1	1	1	1
Venezuela.....	13	0	(2)	10	10	1	1	1	1	1	1	1	1	1	1
Other.....	89	0	(2)	41	13	1	1	1	1	1	1	1	1	1	1
Central America.....	685	12	81	324	1	32	34	55	23	124	28	123	38	157	23
Mexico.....	520	(2)	24	319	24	32	34	55	23	124	28	123	38	157	23
Panama.....	34	15	(2)	15	3	3	3	1	3	3	3	3	3	3	3
Other.....	130	(2)	(2)	20	3	3	3	1	3	3	3	3	3	3	3
Other Western Hemisphere.....	-1,740	24	-112	50	24	12	1	0	0	0	0	136	158	-1,884	117
Bahamas.....	198	(2)	3	1	1	1	1	1	1	1	1	1	1	1	1
Bermuda.....	247	0	3	3	3	3	3	3	3	3	3	3	3	3	3
Netherlands Antilles.....	-2,344	12	(2)	1	1	1	1	1	1	1	1	1	1	1	1
Trinidad and Tobago.....	-120	0	(2)	1	1	1	1	1	1	1	1	1	1	1	1
Other.....	372	(2)	28	37	3	3	3	3	3	3	3	3	3	3	3
Other Africa.....	444	22	340	40	1	5	3	44	5	1	3	16	3	1	3
Saharan.....	324	0	120	11	1	1	1	1	1	1	1	1	1	1	1
Egypt.....	-24	0	27	3	3	3	3	3	3	3	3	3	3	3	3
Libya.....	302	0	120	4	4	4	4	4	4	4	4	4	4	4	4
Other.....	155	0	10	2	2	2	2	2	2	2	2	2	2	2	2
Sub-Saharan.....	170	22	3	2	2	2	2	2	2	2	2	2	2	2	2
Liberia.....	-38	0	3	3	3	3	3	3	3	3	3	3	3	3	3
Nigeria.....	12	0	3	3	3	3	3	3	3	3	3	3	3	3	3
Other.....	161	17	3	24	24	24	24	24	24	24	24	24	24	24	24
Middle East.....	-8,208	0	3	1	1	1	1	1	1	1	1	1	1	1	1
Israel.....	-10	0	3	1	1	1	1	1	1	1	1	1	1	1	1
OPEC.....	-2,050	0	3	1	1	1	1	1	1	1	1	1	1	1	1
Other.....	585	0	3	1	1	1	1	1	1	1	1	1	1	1	1
Other Asia and Pacific.....	-13	21	13	16	16	16	16	16	16	16	16	16	16	16	16
Hong Kong.....	-130	0	13	1	1	1	1	1	1	1	1	1	1	1	1
India.....	28	0	13	1	1	1	1	1	1	1	1	1	1	1	1
Indonesia.....	-10	0	13	1	1	1	1	1	1	1	1	1	1	1	1
Malaysia.....	-1	0	13	1	1	1	1	1	1	1	1	1	1	1	1
Philippines.....	-71	0	13	1	1	1	1	1	1	1	1	1	1	1	1
Singapore.....	103	0	13	1	1	1	1	1	1	1	1	1	1	1	1
South Korea.....	-148	0	13	1	1	1	1	1	1	1	1	1	1	1	1
Taiwan.....	165	0	13	1	1	1	1	1	1	1	1	1	1	1	1
Thailand.....	137	0	13	1	1	1	1	1	1	1	1	1	1	1	1
Other.....	1	0	13	1	1	1	1	1	1	1	1	1	1	1	1
International.....	142	0	3	1	1	1	1	1	1	1	1	1	1	1	1
Memorandum—OPEC.....	-2,261	29	(2)	123	(2)	10	1	(2)	1	(2)	6	12	1	(2)	(2)

*Less than \$500,000 (a).

b Suppressed to avoid disclosure of data of individual companies.

Table 15.—Reinvested Earnings of Incorporated Affiliates, 1979

(Millions of dollars)

	All industries	Mining	Petroleum	Manufacturing								Trade	Banking	Finance (except banking), insurance, and real estate	Other industries
				Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Machinery, except electrical	Electric and electronic equipment	Transportation equipment	Other manufacturing				
All countries.....	10,964	232	5,414	7,614	777	1,063	387	1,296	443	298	1,704	2,343	314	1,985	1,929
Developed countries.....	14,879	294	4,204	6,569	433	1,776	351	1,900	387	334	1,411	1,944	267	839	681
Canada.....	2,003	115	1,052	1,156	147	280	90	69	72	46	424	293	(*)	214	(*)
Europe.....	10,027	1	2,884	4,673	428	1,336	135	1,173	260	(*)	(*)	1,617	283	581	549
European Communities (9).....	8,831	-1	2,754	4,467	390	1,255	159	1,009	239	(*)	(*)	1,502	244	591	279
Belgium.....	570	0	(*)	214	-1	(*)	6	12	31	(*)	(*)	124	15	(*)	6
Denmark.....	38	0	80	9	-1	(*)	(*)	(*)	6	(*)	(*)	7	1	(*)	(*)
France.....	568	-1	39	348	41	128	1	185	47	28	131	10	10	10	10
Germany.....	1,454	0	622	744	-12	176	42	107	82	(*)	(*)	35	88	(*)	18
Ireland.....	251	0	(*)	330	-1	247	3	23	9	3	53	1	(*)	(*)	(*)
Italy.....	636	0	163	372	27	71	17	126	60	(*)	(*)	51	15	15	15
Luxembourg.....	66	0	(*)	34	(*)	(*)	1	2	-1	(*)	(*)	3	(*)	(*)	(*)
Netherlands.....	2,141	0	589	277	42	314	14	63	38	(*)	(*)	78	78	167	121
United Kingdom.....	2,612	0	900	2,174	287	411	77	937	80	425	388	307	78	121	161
Other Europe.....	1,708	1	130	378	38	82	-24	70	10	(*)	(*)	869	20	291	100
Austria.....	39	0	0	20	1	(*)	3	(*)	(*)	(*)	(*)	22	1	(*)	-1
Greece.....	-1	1	10	13	(*)	(*)	(*)	(*)	(*)	(*)	(*)	5	1	1	1
Norway.....	-34	0	-56	5	1	1	1	1	4	(*)	(*)	1	0	0	0
Portugal.....	6	2	1	5	1	1	1	1	1	(*)	(*)	1	0	0	0
Spain.....	297	-2	7	191	27	64	-28	28	(*)	(*)	(*)	73	0	(*)	(*)
Sweden.....	104	0	(*)	85	4	4	4	(*)	(*)	(*)	(*)	7	0	(*)	(*)
Switzerland.....	1,270	0	30	60	(*)	(*)	(*)	13	(*)	(*)	(*)	16	(*)	276	(*)
Turkey.....	-8	0	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	1	(*)	(*)	(*)
Other.....	74	0	1	(*)	0	(*)	(*)	-1	(*)	(*)	(*)	15	1	(*)	(*)
Japan.....	877	0	123	241	33	73	5	-3	27	(*)	(*)	-7	(*)	1	(*)
Australia, New Zealand, and South Africa.....	572	89	148	287	28	70	26	45	8	41	83	91	1	35	30
Australia.....	424	78	59	197	(*)	36	20	35	0	49	59	36	1	31	17
New Zealand.....	7	(*)	(*)	12	2	2	1	1	1	(*)	(*)	(*)	(*)	(*)	(*)
South Africa.....	241	(*)	(*)	38	28	28	5	9	2	(*)	(*)	(*)	1	1	13
Developing countries.....	4,149	17	1,189	1,446	145	313	97	-4	68	61	279	399	8	1,185	364
Latin America.....	2,994	28	789	687	303	224	77	-44	-14	45	296	223	1	1,027	129
South America.....	250	11	53	124	58	61	21	-78	179	115	123	28	1	1	28
Argentina.....	243	0	-21	229	14	17	15	13	1	115	32	21	1	1	1
Brazil.....	-60	8	44	-177	8	17	16	60	85	(*)	(*)	51	1	1	1
Chile.....	27	0	9	9	(*)	1	1	(*)	(*)	(*)	(*)	1	1	1	1
Colombia.....	30	0	44	44	12	12	1	1	1	1	11	0	1	1	1
Ecuador.....	15	0	1	1	1	1	1	1	1	1	1	0	1	1	1
Peru.....	9	1	1	1	1	1	1	1	1	1	1	0	1	1	1
Venezuela.....	-18	0	16	-10	27	18	1	1	1	1	1	0	1	1	1
Other.....	20	-1	1	15	(*)	(*)	(*)	(*)	(*)	(*)	(*)	2	1	1	1
Central America.....	879	5	116	639	46	133	56	32	82	60	148	115	1	1	1
Mexico.....	611	0	18	480	28	133	54	32	82	60	137	75	1	1	1
Panama.....	243	0	0	27	(*)	(*)	1	1	1	1	0	38	1	1	1
Other.....	25	-1	(*)	27	(*)	(*)	0	1	1	1	0	2	1	1	1
Other Western Hemisphere.....	1,765	0	0	25	2	18	1	1	2	1	10	41	1	1,021	58
Bahamas.....	709	0	0	0	(*)	(*)	(*)	(*)	(*)	(*)	(*)	1	1	1	1
Bermuda.....	387	0	0	0	(*)	(*)	(*)	(*)	(*)	(*)	(*)	1	1	1	1
Netherlands Antilles.....	91	0	0	0	(*)	(*)	(*)	(*)	(*)	(*)	(*)	1	1	1	1
Trinidad and Tobago.....	17	0	0	0	(*)	(*)	(*)	(*)	(*)	(*)	(*)	1	1	1	1
Other.....	52	0	0	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	0	1	1	1
Other Africa.....	162	3	0	0	0	0	0	0	0	0	0	0	0	0	0
Bahamas.....	18	0	0	0	(*)	(*)	(*)	(*)	(*)	(*)	(*)	0	0	0	0
Egypt.....	11	0	0	0	(*)	(*)	(*)	(*)	(*)	(*)	(*)	0	0	0	0
Libya.....	-2	0	0	0	(*)	(*)	(*)	(*)	(*)	(*)	(*)	0	0	0	0
Other.....	9	0	0	0	(*)	(*)	(*)	(*)	(*)	(*)	(*)	0	0	0	0
Sub-Saharan.....	244	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Liberia.....	36	0	0	0	(*)	(*)	(*)	(*)	(*)	(*)	(*)	0	0	0	0
Nigeria.....	19	0	0	0	(*)	(*)	(*)	(*)	(*)	(*)	(*)	0	0	0	0
Other.....	70	1	0	0	(*)	(*)	(*)	(*)	(*)	(*)	(*)	0	0	0	0
Middle East.....	333	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Israel.....	333	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OPEC.....	333	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Asia and Pacific.....	781	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hong Kong.....	781	0	0	0	0	0	0	0	0	0	0	0	0	0	0
India.....	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Indonesia.....	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Malaysia.....	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Philippines.....	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Singapore.....	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Korea.....	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Taiwan.....	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Thailand.....	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other.....	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
International.....	137	0	21	0	0	0	0	0	0	0	0	0	0	0	115
Monrovia—OPEC.....	219	0	0	0	0	0	0	0	0	0	0	0	0	0	0

* Less than \$500,000.

† Suppressed to avoid disclosure of data of individual companies.

Table 16.—Reinvested Earnings of Incorporated Affiliates, 1980

(Millions of dollars)

	All industries	Mining	Petroleum	Manufacturing								Trade	Banking	Finance (except banking, insurance, and real estate)	Other industries
				Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Machinery, except electrical	Electrical and electronic equipment	Transportation equipment	Other manufacturing				
All countries.....	16,396	431	4,853	6,364	553	1,858	475	1,241	719	-93	1,454	2,474	224	2,029	304
Developed countries.....	12,481	399	3,917	4,491	371	1,414	391	1,170	432	-465	1,199	1,346	95	1,036	697
Canada.....	3,400	284	1,380	1,040	149	306	107	145	126	-100	306	277	(D)	307	(D)
Europe.....	7,821	5	2,281	3,057	202	1,002	117	878	343	-258	786	1,469	62	680	323
European Communities (D).....	5,064	3	2,060	2,902	202	914	158	946	337	-322	687	1,599	78	597	198
Belgium.....	320	0	(D)	89	(D)	80	4	(D)	4	(D)	1	36	(D)	(D)	2
Denmark.....	60	0	(D)	(D)	7	(D)	(D)	(D)	(D)	(D)	(D)	18	(D)	(D)	1
France.....	970	3	(D)	528	26	75	8	320	21	(D)	66	134	(D)	13	(D)
Germany.....	571	0	519	-18	-19	152	20	44	(D)	(D)	133	47	(D)	15	(D)
Ireland.....	373	0	(D)	307	6	230	10	(D)	13	(D)	73	2	(D)	(D)	2
Italy.....	781	0	283	404	5	80	25	123	108	(D)	(D)	87	(D)	(D)	17
Luxembourg.....	54	0	(D)	(D)	(D)	(D)	5	(D)	(D)	(D)	(D)	1	(D)	(D)	(D)
Netherlands.....	505	0	241	207	48	66	19	36	28	(D)	(D)	26	(D)	194	(D)
United Kingdom.....	2,442	0	503	1,225	129	(D)	37	208	70	(D)	250	307	(D)	189	106
Other Europe.....	1,727	2	182	255	(D)	88	-23	30	5	(D)	89	905	(D)	283	137
Austria.....	39	0	(D)	18	1	1	(D)	4	10	(D)	3	1	(D)	14	(D)
Greece.....	25	1	(D)	27	1	(D)	1	0	0	(D)	0	(D)	(D)	1	(D)
Norway.....	33	(D)	1	18	(D)	(D)	1	0	0	(D)	10	(D)	(D)	(D)	4
Portugal.....	20	0	6	8	(D)	1	(D)	0	0	(D)	(D)	4	(D)	(D)	(D)
Spain.....	92	(D)	6	82	4	44	-23	(D)	33	(D)	7	13	(D)	(D)	(D)
Sweden.....	140	0	119	38	4	1	2	30	0	(D)	17	4	(D)	24	(D)
Switzerland.....	1,286	0	44	89	1	(D)	0	(D)	(D)	(D)	36	883	(D)	240	84
Turkey.....	-4	(D)	(D)	-4	1	(D)	0	(D)	(D)	(D)	1	23	(D)	12	(D)
Other.....	87	0	4	24	0	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	24
Japan.....	248	0	30	144	-13	40	18	58	6	17	31	40	(D)	6	(D)
Australia, New Zealand, and South Africa.....	925	150	247	290	32	67	63	60	19	135	114	159	(D)	64	148
Australia.....	438	123	70	51	7	32	12	53	10	157	65	83	(D)	61	141
New Zealand.....	57	(D)	12	12	3	2	1	2	1	(D)	(D)	(D)	(D)	(D)	3
South Africa.....	430	27	(D)	187	22	34	10	36	8	(D)	(D)	(D)	(D)	(D)	(D)
Developing countries.....	4,387	59	654	1,274	183	442	134	70	226	343	465	639	139	681	179
Latin America.....	3,347	00	289	1,509	145	370	118	22	82	300	285	412	43	298	140
South America.....	905	52	30	891	76	158	41	124	116	280	108	137	14	114	25
Argentina.....	470	(D)	28	354	(D)	65	(D)	112	11	(D)	46	45	(D)	(D)	(D)
Brazil.....	347	20	12	254	1	82	(D)	13	1	(D)	61	27	(D)	(D)	12
Chile.....	27	(D)	13	11	(D)	3	(D)	(D)	4	(D)	15	12	(D)	(D)	3
Colombia.....	43	0	6	32	11	(D)	(D)	(D)	(D)	(D)	15	3	(D)	(D)	(D)
Ecuador.....	16	0	1	5	2	(D)	(D)	(D)	(D)	(D)	3	3	(D)	(D)	(D)
Peru.....	16	1	1	10	(D)	(D)	(D)	(D)	(D)	(D)	17	3	(D)	(D)	1
Venezuela.....	58	0	22	38	3	32	(D)	(D)	(D)	(D)	17	3	(D)	(D)	(D)
Other.....	-12	1	-33	17	3	3	1	(D)	(D)	(D)	8	(D)	(D)	(D)	(D)
Central America.....	1,205	5	134	284	71	100	18	58	24	288	208	188	(D)	118	57
Mexico.....	800	(D)	27	709	61	108	15	57	77	288	194	111	(D)	118	(D)
Panama.....	220	0	(D)	46	4	(D)	3	(D)	(D)	(D)	104	26	(D)	(D)	(D)
Other.....	45	(D)	(D)	36	12	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Other Western Hemisphere.....	1,197	2	123	138	11	112	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Bahamas.....	251	0	(D)	10	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Bermuda.....	616	0	(D)	6	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Netherlands Antilles.....	100	0	(D)	12	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Trinidad and Tobago.....	40	0	(D)	1	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Other.....	107	(D)	(D)	12	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Other Africa.....	148	0	68	57	1	13	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Bahran.....	22	0	7	1	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Egypt.....	17	0	1	1	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Libya.....	17	0	1	1	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Other.....	126	0	10	54	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Sub-Saharan.....	126	0	10	54	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Libania.....	12	0	1	1	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Nigeria.....	12	0	1	1	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Other.....	77	1	35	36	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Middle East.....	111	0	30	111	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Israel.....	111	0	30	111	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Other.....	107	0	30	104	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Other Asian and Pacific.....	281	0	305	281	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Hong Kong.....	281	0	305	281	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
India.....	22	0	107	123	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Indonesia.....	22	0	107	123	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Malaysia.....	22	0	107	123	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Philippines.....	22	0	107	123	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Singapore.....	22	0	107	123	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
South Korea.....	22	0	107	123	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Taiwan.....	22	0	107	123	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Thailand.....	22	0	107	123	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Other.....	7	1	6	10	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
International.....	120	0	18	120	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Memorandum—OPEC.....	219	0	148	219	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)

*Less than \$100,000(±).

†Suppressed to avoid disclosure of data of individual companies.

Table 17.—Income, 1979

(Millions of dollars)

	All industries	Mining	Petroleum	Manufacturing								Trade	Banking	Finance (except banking), insurance, and real estate	Other industries
				Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Machinery, except electrical	Electric and electronic equipment	Transportation equipment	Other manufacturing				
All countries.....	25,320	1,148	12,413	13,054	1,219	1,929	648	2,542	768	2,231	2,525	2,947	1,900	3,634	1,334
Developed countries.....	24,542	768	6,962	11,919	1,039	1,436	454	2,436	559	2,013	2,022	3,033	1,747	1,767	763
Canada.....	5,517	420	1,300	2,031	194	400	128	234	98	312	454	378	21	554	315
Europe.....	17,116	-4	4,493	7,065	707	1,261	269	1,087	400	1,671	1,180	2,484	580	1,114	483
European Communities (a).....	14,954	-5	4,070	7,232	632	1,753	278	1,800	370	1,446	1,025	1,123	487	548	331
Belgium.....	928	(b)	(b)	289	7	184	15	28	75	42	54	104	(b)	20	11
Denmark.....	178	(b)	(b)	25	8	(b)	1	(b)	10	2	(b)	(b)	2	3	2
France.....	972	-1	45	627	46	183	6	209	-41	31	100	186	35	33	57
Germany.....	2,896	0	905	1,881	30	311	88	414	100	633	230	302	97	18	17
Ireland.....	410	0	-45	423	41	287	4	32	10	-3	64	3	4	24	15
Italy.....	925	0	141	610	41	115	21	244	84	54	90	112	40	6	17
Luxembourg.....	23	0	1	-11	(b)	(b)	2	9	1	(b)	(b)	3	13	21	(b)
Netherlands.....	1,934	0	2,063	471	59	174	24	124	39	(b)	(b)	(b)	235	208	75
United Kingdom.....	4,785	-5	1,701	2,989	239	500	105	730	93	(b)	(b)	381	(b)	313	154
Other Europe.....	3,082	1	404	572	75	106	-19	87	20	126	155	1,382	93	470	100
Austria.....	90	0	32	27	(b)	1	3	(b)	0	0	11	42	(b)	-2	1
Greece.....	88	1	-11	14	(b)	3	(b)	0	(b)	0	6	10	25	(b)	(b)
Norway.....	283	2	201	17	(b)	(b)	1	0	0	0	8	10	0	(b)	(b)
Portugal.....	23	0	3	12	1	-1	1	1	(b)	(b)	(b)	8	0	(b)	3
Spain.....	382	-2	6	242	36	81	-27	12	(b)	(b)	(b)	108	11	-1	2
Sweden.....	214	0	(b)	97	6	7	4	71	(b)	(b)	(b)	70	0	1	1
Switzerland.....	1,688	0	88	147	(b)	13	-1	12	(b)	(b)	(b)	1,148	55	425	108
Turkey.....	-15	1	(b)	-5	-1	1	(b)	(b)	2	0	(b)	-1	(b)	(b)	(b)
Other.....	87	0	(b)	20	0	-1	(b)	-1	(b)	0	(b)	(b)	1	(b)	(b)
Japan.....	828	0	238	616	70	123	6	140	30	(b)	(b)	44	-21	21	13
Australia, New Zealand, and South Africa.....	1,482	330	336	806	66	103	58	65	31	(b)	(b)	188	-2	76	43
Australia.....	1,039	312	213	326	21	46	44	40	28	52	78	124	-3	71	37
New Zealand.....	17	1	(b)	22	4	1	1	1	1	5	7	(b)	(b)	(b)	(b)
South Africa.....	386	25	(b)	158	43	43	15	17	4	(b)	(b)	(b)	2	4	14
Developing countries.....	13,127	383	5,333	2,031	200	525	204	308	209	208	503	614	1,226	1,847	468
Latin America.....	6,546	330	1,382	1,504	225	373	106	53	78	188	406	455	806	1,743	212
South America.....	1,614	106	371	764	130	178	25	20	(b)	86	210	189	16	20	100
Argentina.....	629	(b)	31	374	37	71	23	25	(b)	173	48	28	0	2	(b)
Brazil.....	267	7	-30	141	31	20	27	(b)	-18	-21	100	72	-7	43	17
Chile.....	37	-2	19	18	2	6	(b)	(b)	1	(b)	1	8	1	(b)	3
Colombia.....	22	(b)	145	37	18	31	1	1	6	(b)	27	17	-18	(b)	(b)
Ecuador.....	88	0	(b)	12	3	2	1	0	3	(b)	5	8	(b)	(b)	(b)
Peru.....	308	(b)	(b)	0	-7	4	(b)	(b)	2	(b)	8	8	(b)	(b)	2
Venezuela.....	142	(b)	17	49	34	49	(b)	1	3	(b)	20	20	(b)	130	(b)
Other.....	71	-1	1	65	6	3	(b)	1	1	(b)	(b)	5	(b)	3	1
Central America.....	1,247	25	143	722	88	189	39	44	76	82	176	206	78	121	52
Mexico.....	843	13	32	642	64	147	67	44	55	82	161	115	(b)	16	(b)
Panama.....	145	(b)	126	38	5	28	0	0	(b)	0	4	89	60	104	20
Other.....	59	12	-5	43	18	7	0	0	(b)	(b)	11	2	(b)	1	(b)
Other Western Hemisphere.....	5,555	106	678	45	18	14	1	(b)	3	(b)	14	90	363	1,598	61
Bahamas.....	1,125	-2	313	(b)	2	0	0	(b)	1	(b)	14	42	650	201	27
Bermuda.....	1,027	0	233	(b)	0	0	0	(b)	0	0	1	31	7	1,274	20
Netherlands Antilles.....	123	0	(b)	(b)	2	(b)	0	0	0	0	(b)	2	(b)	-30	1
Trinidad and Tobago.....	123	0	(b)	(b)	2	(b)	0	0	0	0	(b)	2	(b)	(b)	2
Other.....	287	106	(b)	29	11	4	1	0	2	(b)	11	11	(b)	12	3
Other Africa.....	1,362	(b)	1,122	55	2	10	20	(b)	8	1	14	17	26	20	(b)
Algeria.....	553	0	520	0	2	1	0	(b)	0	0	2	4	13	1	5
Egypt.....	204	0	942	0	0	0	0	0	-1	0	0	0	0	0	0
Libya.....	519	0	519	0	0	0	0	0	0	0	0	0	0	0	0
Other.....	-36	0	-36	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Saharan.....	480	(b)	297	(b)	0	0	0	0	0	0	12	13	15	28	(b)
Liberia.....	44	-1	1	(b)	0	0	0	0	0	0	2	2	1	1	1
Nigeria.....	227	0	311	0	0	0	0	0	0	0	0	0	0	0	0
Other.....	179	(b)	83	42	(b)	0	0	0	0	0	11	0	0	0	(b)
Middle East.....	2,720	(b)	2,445	13	3	1	1	2	8	1	7	53	77	12	120
Israel.....	91	0	(b)	28	2	1	1	1	0	0	5	5	6	1	3
OPEC.....	2,368	(b)	(b)	-12	1	0	0	0	(b)	(b)	(b)	(b)	51	11	1
Other.....	271	0	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)
Other Asia and Pacific.....	2,558	(b)	1,373	465	49	150	17	25	115	18	73	378	225	87	(b)
Hong Kong.....	287	0	48	57	1	29	9	(b)	9	(b)	(b)	189	110	82	68
India.....	46	0	2	20	-1	24	4	7	2	1	6	1	4	1	1
Indonesia.....	1,170	(b)	1,057	21	1	4	1	(b)	4	(b)	(b)	17	5	(b)	(b)
Malaysia.....	268	2	(b)	30	1	5	1	1	14	(b)	(b)	17	3	(b)	12
Philippines.....	188	0	-6	78	31	31	2	0	8	(b)	(b)	15	34	2	11
Singapore.....	287	0	78	101	1	2	0	1	44	(b)	(b)	28	25	4	1
South Korea.....	63	0	(b)	41	(b)	17	0	1	4	(b)	(b)	3	14	(b)	(b)
Taiwan.....	94	0	66	25	0	25	0	0	30	(b)	(b)	8	2	(b)	(b)
Thailand.....	12	1	18	2	1	0	1	0	1	(b)	(b)	14	2	(b)	(b)
Other.....	-3	(b)	(b)	9	1	8	0	0	(b)	(b)	(b)	2	7	(b)	(b)
International.....	262	(b)	113	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	142
Nonresidents—OPEC.....	4,515	(b)	4,030	72	60	45	(b)	-2	8	-71	(b)	(b)	49	-29	215

(a) Less than \$500,000 (±).

(b) Suppressed to avoid disclosure of data of individual companies.

Table 18.—Income, 1980

(Millions of dollars)

	All industries	Mining	Petroleum	Manufacturing								Trade	Banking	Finance (except banking, insurance, and real estate)	Other industries
				Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Machinery, except electrical	Electric and electronic equipment	Transportation equipment	Other manufacturing				
All countries.....	35,842	1,375	23,012	11,263	1,164	2,945	899	2,453	1,096	280	2,637	4,029	1,473	3,586	1,624
Developed countries.....	24,582	1,022	9,566	8,687	915	2,296	554	2,289	783	-442	1,639	3,117	809	1,875	941
Canada.....	5,733	804	2,003	1,836	205	425	195	257	148	-19	627	355	26	581	328
Europe.....	16,078	12	5,566	5,504	486	1,859	235	1,720	502	-20	1,184	2,357	350	1,158	591
European Communities (6).....	12,920	10	5,112	5,344	427	1,831	267	1,068	481	-209	1,080	1,004	391	798	370
Belgium.....	578	1	(2)	252	4	187	8	7	38	28	31	94	6	15	(2)
Denmark.....	90	0	60	25	11	2	3	(2)	9	3	(2)	20	-1	(2)	2
France.....	1,228	(2)	(2)	773	35	188	20	357	57	29	110	173	9	35	(2)
Germany.....	1,852	0	761	937	88	903	98	419	37	-245	210	101	-24	28	80
Ireland.....	325	0	-24	347	30	231	11	20	13	-2	37	4	3	67	1
Italy.....	1,297	0	364	721	23	189	24	270	144	6	165	131	28	8	24
Luxembourg.....	78	0	2	41	(2)	(2)	4	2	2	(2)	10	-1	-17	20	(2)
Netherlands.....	1,797	0	1,179	413	65	(2)	25	(2)	61	(2)	23	10	-12	189	37
United Kingdom.....	5,496	(2)	2,256	1,699	194	391	67	488	85	66	544	471	294	414	(2)
Other Europe.....	3,159	2	743	400	60	127	-13	61	20	90	114	1,303	28	400	101
Austria.....	95	0	(2)	24	3	2	(2)	4	12	0	9	20	-2	(2)	(2)
Greece.....	10	1	3	34	2	28	(2)	0	(2)	0	6	2	0	1	-2
Norway.....	505	2	500	24	(2)	1	(2)	(2)	11	0	11	12	0	(2)	(2)
Portugal.....	34	0	8	15	(2)	1	(2)	1	(2)	(2)	(2)	0	0	(2)	2
Spain.....	208	-2	5	120	(2)	05	-15	-83	(2)	(2)	(2)	42	0	13	18
Sweden.....	227	0	121	70	(2)	(2)	2	11	11	1	1	13	0	38	38
Switzerland.....	2,851	0	03	120	(2)	14	3	18	18	0	1,211	8	8	99	99
Turkey.....	-3	1	-5	-1	-1	(2)	0	(2)	(2)	0	-1	1	(2)	3	3
Other.....	122	0	(2)	25	0	(2)	(2)	(2)	(2)	0	12	35	1	(2)	24
Japan.....	820	0	175	423	24	93	17	103	22	26	44	128	92	39	22
Australia, New Zealand, and South Africa.....	1,901	406	532	428	100	120	37	119	82	-112	166	267	37	105	61
Australia.....	1,174	302	302	187	28	54	09	70	39	-156	82	160	31	100	52
New Zealand.....	99	2	(2)	15	6	3	1	3	1	1	8	1	1	1	(2)
South Africa.....	688	41	(2)	205	55	63	18	48	12	23	78	(2)	5	5	5
Developing countries.....	11,713	354	4,112	2,794	349	643	351	184	303	292	684	908	1,658	1,639	629
Latin America.....	6,850	298	862	3,161	295	521	203	118	120	289	507	628	1,031	1,528	346
South America.....	1,040	174	271	1,104	150	233	103	60	26	277	244	202	115	54	27
Argentina.....	690	21	121	454	55	94	(2)	7	4	(2)	54	54	41	(2)	15
Brazil.....	614	38	-88	600	10	82	28	40	7	106	116	63	47	44	14
Chile.....	62	4	6	22	8	8	4	1	1	(2)	27	17	(2)	1	1
Colombia.....	68	(2)	0	73	17	19	2	2	5	1	27	17	(2)	1	1
Ecuador.....	(2)	0	(2)	11	2	2	2	0	0	(2)	4	3	(2)	(2)	1
Peru.....	(2)	0	(2)	13	(2)	2	2	2	2	(2)	4	3	(2)	(2)	1
Venezuela.....	105	-1	-9	51	40	42	4	2	2	81	34	23	1	6	27
Other.....	115	-1	12	70	12	4	(2)	2	1	6	(2)	7	17	6	3
Central America.....	1,798	25	181	662	118	240	37	68	100	112	246	274	82	98	189
Mexico.....	1,173	(2)	31	587	85	284	64	68	92	112	232	189	80	34	36
Panama.....	472	(2)	139	44	11	29	0	0	0	4	4	181	0	62	54
Other.....	144	(2)	-9	51	20	7	2	0	7	0	14	4	(2)	8	85
Other Western Hemisphere.....	3,111	26	531	74	28	29	(2)	0	3	0	14	183	322	1,375	51
Bahamas.....	915	0	(2)	(2)	(2)	5	0	0	0	0	1	67	222	1,388	21
Bermuda.....	1,531	0	(2)	4	0	0	0	0	0	0	1	41	(2)	1,385	(2)
Netherlands Antilles.....	-35	2	(2)	(2)	(2)	(2)	0	0	0	0	3	3	(2)	1	1
Trinidad and Tobago.....	290	0	244	7	2	4	0	0	0	0	1	1	1	1	1
Other.....	441	98	17	48	(2)	(2)	(2)	(2)	2	(2)	11	18	392	76	1,120
Other Africa.....	1,389	(2)	1,244	88	2	15	34	0	10	0	14	11	43	1	(2)
Bahrain.....	951	0	912	1	0	1	0	0	1	0	2	2	26	1	1
Egypt.....	(2)	0	(2)	1	0	1	0	0	1	0	1	1	1	1	1
Libya.....	(2)	0	(2)	4	0	1	0	0	0	0	1	1	1	1	1
Other.....	-12	0	-15	4	0	1	0	0	0	0	1	1	1	1	1
Sub-Saharan.....	448	(2)	332	0	0	15	34	0	12	0	13	13	19	113	1
Liberia.....	19	(2)	-1	1	0	(2)	0	0	0	0	1	1	1	1	1
Nigeria.....	297	0	185	11	1	13	2	0	0	0	1	1	1	1	1
Other.....	258	(2)	148	56	(2)	(2)	24	0	11	0	16	1	1	1	1
Middle East.....	-21	0	-538	23	2	1	(2)	0	0	0	12	43	84	14	14
Israel.....	46	0	-4	25	2	1	(2)	0	0	0	32	13	1	1	1
OPEC.....	-214	0	-284	1	(2)	1	(2)	1	3	0	0	0	0	0	0
Other.....	147	0	92	(2)	(2)	(2)	(2)	(2)	0	0	0	0	0	0	0
Other Asia and Pacific.....	3,694	(2)	2,242	623	50	117	26	36	155	1	70	220	391	78	78
Hong Kong.....	639	0	48	28	2	22	6	6	18	0	30	139	140	78	78
India.....	45	0	2	37	(2)	23	1	1	4	0	5	5	5	5	5
Indonesia.....	2,845	(2)	1,930	12	3	5	3	3	11	0	15	1	1	1	1
Malaysia.....	289	4	(2)	41	1	6	1	1	26	0	6	6	6	6	6
Philippines.....	166	0	17	78	30	22	2	2	11	0	2	2	2	2	2
Singapore.....	339	0	30	147	1	2	1	1	54	0	23	23	23	23	23
South Korea.....	-27	0	(2)	-27	3	1	1	1	0	0	(2)	(2)	(2)	(2)	(2)
Taiwan.....	99	0	2	71	4	22	0	0	26	0	16	16	16	16	16
Thailand.....	14	1	-13	14	1	7	0	0	0	0	0	0	0	0	0
Other.....	-24	-2	-44	12	1	11	0	0	(2)	0	1	1	1	1	1
International.....	548		344												204
Memorandum—OPEC.....	2,543	(2)	2,652	183	86	63	18	-3	7	-32	83	73	83	4	(2)

* Less than \$500,000 (4).

0 Suppressed to avoid disclosure of data of individual companies.

(Continued from p. 30)

Most N.V. affiliates were established by U.S. companies in response to the U.S. mandatory controls on direct investment, which were in effect from 1963 to 1974. The controls encouraged U.S. companies to finance their direct investments with foreign—rather than U.S.-source funds. N.V. affiliates' borrowing abroad provided certain advantages—such as tax benefits and lower costs of incorporation—over direct borrowing by U.S. parents. Except for these advantages, the U.S. parents themselves would probably have borrowed abroad, either directly or through their domestic (United States) finance subsidiaries. Almost all of the proceeds of the N.V. affiliates' borrowing was in fact transferred to their U.S. parents for further disposition, often to other foreign affiliates. At the time, it was thought that, instead of recording transfers of the proceeds to U.S. parents as direct investment intercompany account inflows from Latin America, such transfers should be recorded in the portfolio investment account as increases in the U.S. parents' liabilities to unaffiliated foreigners in Europe—the ultimate source of nearly all of the borrowed funds. Subsequent reductions in U.S. parents' liabilities to the N.V. affiliates were recorded as payments of principal by the U.S. parents to unaffiliated foreigners in Europe, and interest payments on the borrowing by the N.V. affiliates were recorded as interest payments by U.S. parents to unaffiliated foreigners in Europe. Other capital transactions between U.S. parents and their N.V. affiliates, such as increases or decreases in equity, and dividends or other income flows to U.S. parents, were included in the direct investment accounts but were classified in "in-

ternational and unallocated" rather than in the Netherlands Antilles.

In the years immediately following the dismantling of the direct investment controls in 1974, new borrowing by N.V. affiliates declined and a smaller proportion of the proceeds were transferred to U.S. parents. Recently, borrowing by N.V. affiliates again accelerated because of favorable conditions in the Eurobond markets.

The distinction between N.V. affiliates and other finance affiliates has been dropped in the revised series. All transactions of U.S. parents with N.V. affiliates are included in the direct investment accounts, where they are classified in the Netherlands Antilles. One advantage of this treatment is that it facilitates the integration of the two major types of data—balance of payments data and financial and operating data—for such affiliates collected in BEA's benchmark surveys.

Airlines and ship operators.—In the previous series, foreign stations, ticket offices, and terminal port facilities of a U.S. airline or ship operator that provided services only to the airline's or ship operator's own operations were considered foreign affiliates and were included in U.S. direct investment abroad. They are excluded from the revised series in cases where most of the revenues—such as passenger fares and freight charges—collected by these facilities were generated by the travel and transportation services rendered by the airlines and ship operators of which they are a part, and not by the activities of these facilities per se. However, if the facilities provided services primarily to unaffiliated persons rather than to the airlines or ship operators that own them, they are considered affiliates and are included in direct investment.

Industry classification.—In the previous series, the industry classification of any given affiliate was as reported in the 1966 benchmark survey. In the revised series for 1977 forward, each affiliate is classified in the industry in which its sales (or gross operating revenues) were largest in 1977, as reported in the 1977 benchmark survey.

Format of published tables.—In tables 11-18, the detail by industry has changed slightly from previous publications. Nonelectrical machinery, electrical machinery, and banking, which previously were combined or included in another category, are now shown separately. Transportation, communication, and public utilities, which was previously shown separately, is now included in "other industries."

The detail by country has been expanded from that previously published. In addition, the method of grouping countries within Latin America has changed. Latin American countries are now grouped strictly along geographical lines, according to whether they are located in South America, Central America, or "Other Western Hemisphere." In previous publications, they were grouped according to whether or not they were one of the 20 countries designated as "Latin American Republics." A complete listing of countries, which shows the individual countries contained in the subtotals and residual ("other") categories in table 11-18, may be found in table B, pages 6 and 7, of *U.S. Direct Investment Abroad, 1977*.

10. Although the differences are relatively minor, it should be noted that "Other Western Hemisphere" in tables 11-18 does not refer to exactly the same set of countries as the category by the same name in previous publications.